3/1

A MAGAZINE FOR GOVERNMENT MANAGERS

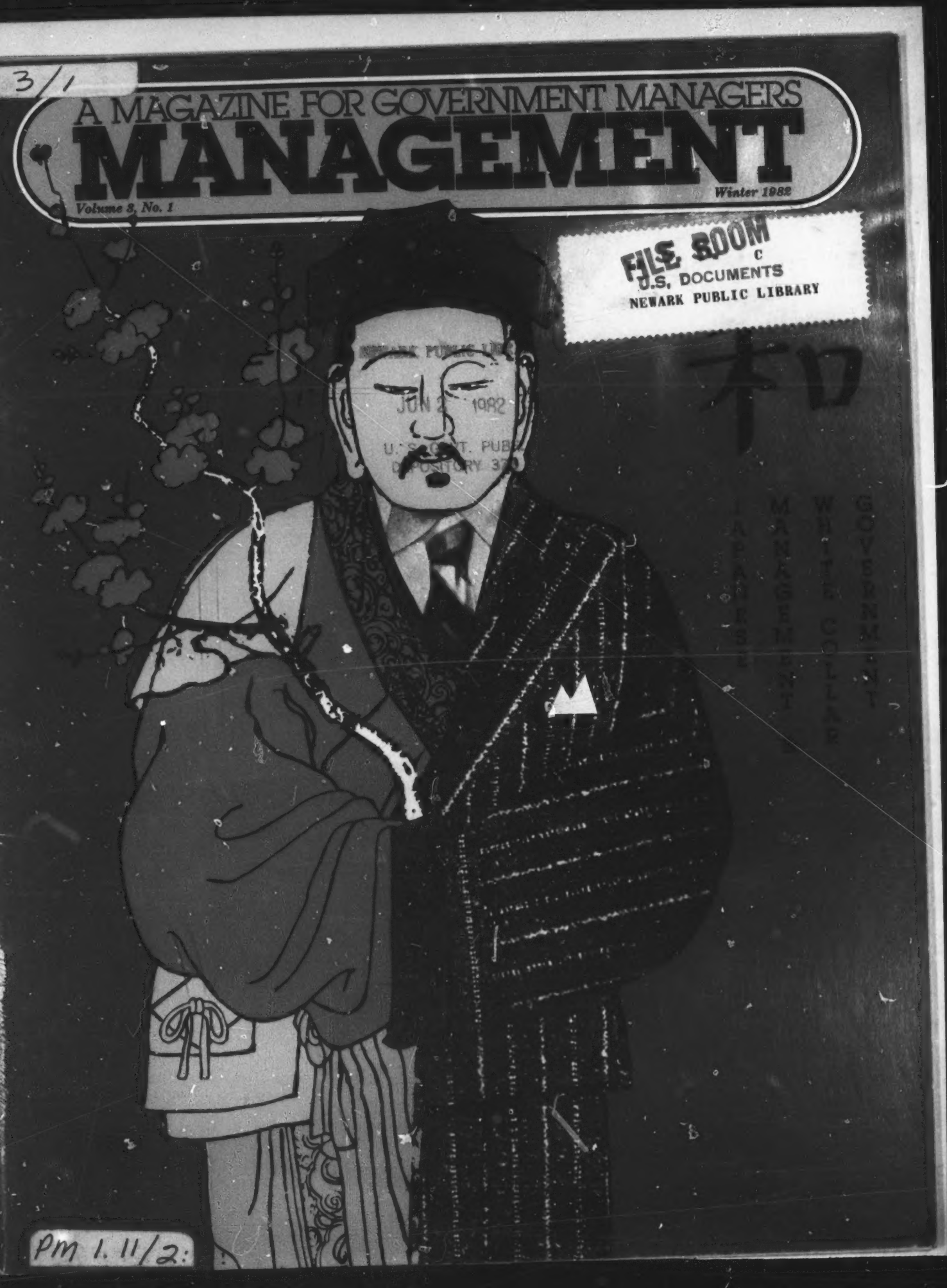
MANAGEMENT

Winter 1982

Volume 3, No. 1

FILE ROOM C
U.S. DOCUMENTS
NEWARK PUBLIC LIBRARY

NEWARK PUBLIC LIBRARY
JUN 2 1982
U.S. DEPT. PUBL.
DEPOSITORY 370



JAPAN'S MANAGEMENT WHITE COLLAR GOVERNMENT

PM 1.11/2:

"Wa," the Japanese character shown here and on this issue's cover, represents the concept of harmony or rapport.

The concept underlies, and creates continuity throughout, the many management systems of Japan.

Regardless of the extent to which one accepts Japanese management techniques as workable in an American government setting, the goal of harmony—especially in times of radical change—seems a worthy one.

Contents

THIS ISSUE

2	Japanese Management and White Collars	An interview with the Japan Productivity Center's manager.
9	"Lone Ranger" Syndrome	Helping supervisors ask for help.
13	Merit Pay Survey Results	Some messages for management.
16	We've Got to Stop Meeting Like This!	Suggestions on managers' foremost time waster.

EVERY ISSUE

18	First Person, Singular	Leaders: Born or developed?
20	Quiet Pension Crisis	A former CSC Chairman's view.
21	Worth Repeating	Who's got the monkey?
25	Managers' Reading Digest	Personnel and general management reading.
28	Nitty Gritty	Furloughs.
30	In Brief	Current legal decisions.
32	After/words	Letters and notes.

Director
Donald J. Devine
Deputy Director
Loretta Cornelius
Director, Office of Public Affairs
Patrick S. Korten
Editor
Lee Treese
Design
Hausmann/Krohn, Inc.
Editorial Assistants
Lynn Alfalla, Annette Gaul, Efstathia A. Siegel, Sarah Wellborn Leung
Graphic Assistant
Woody Schuler
Photographer
Tony Jackson

Manuscripts submitted for publication should be typed double spaced (pica, if possible), 1000 to 1500 words, with working title and brief author information. No special permission is required to quote or reprint materials contained in the magazine. However, when articles are identified as having originated outside the Office of Personnel Management, the author should be contacted for reprint permission.

MANAGEMENT Vol. 3, No. 1 Winter 1982

Management is published quarterly by the U.S. Office of Personnel Management. Editorial inquiries should be sent to: Lee Treese, Editor, **Management** magazine, Office of Public Affairs, U.S. Office of Personnel Management, Washington, D.C. 20415. Telephone (202) 632-4400.

Management is available on subscription from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. $10.00 domestic, $12.50 foreign. Single copies are $2.75 domestic, $3.45 foreign. (Master Charge and Visa are accepted.) Use of funds for printing this publication approved by OMB letter of May 24, 1979.

Japanese Management & White Collar Government

*Japanese management techniques have been the subject of great interest on the part of productivity-minded managers and theorists for the past several years. Their use, particularly the concept of quality circles, has been attempted in many production facilities, including government blue collar operations (See "The Quality Circles Program at Norfolk," **Management,** Summer 1980.)*

*In order to learn more about Japanese management theory's potential for white collar workplaces and the federal bureaucracy, **Management** interviewed Joji Arai, manager of the United States Office of the Japan Productivity Center. The Japan Productivity Center, established in 1955, carries on a program under which about 500 Japanese businessmen, professionals and labor leaders visit this country each year to exchange views with their American counterparts. The Center manages a program under which American executives visit Japan and sponsors seminars for American executives throughout the United States on the application of Japanese management style and its impact on performance.*

Q: In the long run, how much of the Japanese productivity movement can be assimilated into American society, given the differences in the American people?

A: I suppose not all the programs can be effectively implemented in the American environment because of the differences in culture and social background. However, productivity is a new concept actually introduced by Americans into Japan. Most of the productivity oriented programs have either U.S. origin or European origin. I don't see why some of the programs cannot be effectively implemented in this environment if you are to make a slight adjustment or improvement in those originally Japanese programs.

Q: Which do you think are most likely to work?

A: Obviously, the programs with heavy emphasis on hardware technology have no weaknesses as far as the transferability is concerned because you have the same technology regardless of the cultural environment. However, if you start going into a software area, particularly with respect to the human resource oriented programs, obviously the mentality of the people has a great deal to do with the effectiveness of the program. But I think basically people are the same regardless of where they come from. The famous Harris and Moran study shows that human vanity is the same, regardless of nationality.

Q: Specifically, I was thinking about the adversarial relationship the unions seem to have with management.

A: I don't know that it has to be an adversary relationship at all. Obviously you are not living in the same society you used to live in back in the 1940's or 1950's. People have to change. The unions have been so far basing their strategy on confrontation with management. But also it is true that the old-fashioned union has a basic concept of maintaining the old crafts. Yours is a craft oriented union even though you do have industrial workers in them. Today's crafts may not be needed tomorrow, so obviously if the union will stay with the old principle, they lose the grounds for the organization itself. So they have to change. I think the same thing can be said about management. The management mentality has to change; human values in a transitional society have to change.

Q: How can you change attitudes? Sometimes, they seem to be more polarized than ever.

A: I don't think so. Look at what happened to the United Auto Workers. You can't possibly have expected the members as well as the leadership to agree to freeze the pay at all. You couldn't have possibly expected Doug Fraser to sit on the board of the Chrysler Corporation. It's a conflict of interest—but he's sitting on the board. That's a tremendous mentality change on the part of the union. They realized that the social environment they are living in changed and they have to change. If they can do that, why can't the other unions—because they are basically facing the same problem. If the unions stay with the same old values, they will not be able to survive.

Anytime you have to go through drastic social change the people's mentality changes also. You may take for granted that in Japan a cooperative relationship existed between labor and management. That's not true. They used to have an adversary relationship. The Japanese union movement was based on the old style British socialism. And the union leadership used to think that creating a totalitarian society through class struggle was the basic goal. So they walked out for political reasons and quite often we saw in extreme situations where the union walkout bankrupted many of the Japanese companies. Then we realized that that was no way to restructure the Japanese economy.

Q: This was directly after the war?

A: Back in the 1950's. Of course, the initiative came from management but in order to restructure the Japanese economy, it was essential that the union come into the productivity movement, so they very persistently and persuasively got the unions to come into the movement. During that period of time, we had a great struggle between the moderate union leadership and old conventional union leaders. Toward the end of the 1950's, we all agreed that such change was necessary and we saw the emergence of the new unions. Cooperation with management was essential for their own survival and would be beneficial for unions as well as for management.

Q: Was this at the same time that the quality control circles went in?

A: Quality control circles actually started back in 1962. And this mentality change took place in the 1950's. So it all worked out quite well for us because by then we had sort of an implied private agreement between management and labor that the cooperative relationship was essential for expanding the size of the pie. They preferred to work together rather than argue the percentage points which have to be allocated to either management or labor.

Q: I read that America raises lawyers and Japan raises engineers. Lawyers sit around and argue about how to divide the pie but engineers expand the pie.

A: Yes. We'll be graduating around 450,000 college students this year. More than 20 percent come from engineering schools. You graduate somewhere around 850,000 every year. Of the total, you have 5.5 percent graduating from engineering schools.

Q: I understand that in Japan the engineers work more closely with the actual production people.

A: Right. What the Japanese companies do is to let them go through on the job training. Sometimes Japanese companies set aside one to two years to train engineers on the job. So Japanese engineers will be exposed to production as well as design and to various aspects of the management of the corporation as well. So that by the time they become design engineers, for example, they know the requirements of the production area. Therefore, they do not place constraints on the production department in designing new products.

In the United States, design engineers are design engineers always. Therefore, they put into the design the maximum of their knowledge. They couldn't care less about the production department, so they place all kinds of constraints on them. Sometimes the production department has to buy new equipment for the parts of the component, which tends to raise the prices of American products. Because of the production orientation on the part of Japanese engineers, Japanese products are cheaper.

Q: Does this kind of cooperation exist in white collar situations as well?

A: Yes. They run the system in the same way. In the decision making area, most of the white collar workers are consulted by their supervisors. The managers depend very much upon the support of staff and subordinates in coming up with decisions. Very seldom do you see the situations in which managers themselves make decisions right away and tell people later.

Q: One of the criticisms I've heard is that workers in the American corporations that are Japanese owned and run are impatient with the time it takes to make decisions.

A: That's true—until such time as you get accustomed to the Japanese method you become frustrated and you are poor Japanese managers. Sometimes you become lost because Japanese managers very seldom tell subordinates what they are to do. But on the other hand, the Japanese think the subordinate has to be just as innovative as managers. The manager expects subordinates to come up with a lot of suggestions and new ideas. So each side sits tight and nothing happens. But finally, both sides find out what the other side wants. And, of course, Americans like the idea of having their views and ideas reflected in management decisions. And Japanese managers in turn appreciate the innovative suggestions. They usually work quite well. It takes usually a year or two before Japanese management becomes accustomed to the behavior of Americans.

Q: Are there unions in the Japanese government?

A: Yes, we do have government employees organized into unions.

Q: Have they had any problems, like the air traffic controllers?

A: Yes, we have in the national railway system, which is a public corporation and employs almost half a million people. They have several craft type unions. Some still pursue the old class struggle principle and they do walk out on strike often. However, usually the Japanese strike lasts a couple or three days. Most don't even last that long. The economic impact of a strike is very slight but you certainly go through an inconvenience with all public transportation systems coming to a halt.

Q: Do they have a right to their jobs back?

A: They usually will be subjected to disciplinary action by management.

Q: By losing money?

A: By losing money or suspension from the job and, in very severe cases, they discharge people. But the Japanese have never been brave enough to do what President Reagan did. But, I think, even the radical union involving the rail system, starting last year, was prevented from the idea of walking out on strike because of the severe public criticism. Because the public are the ones who suffer.

Q: In William Ouchi's book (Theory Z: How American Business Can Meet the Japanese Challenge), *he describes the American federal bureaucracy as the least likely place in the world that Japanese management technique would work—mainly because of equal employment opportunity considerations. He feels this creates a super-heterogeneous organization loaded with rules and regulations that make it very inflexible. Consequently, he feels that the government is probably the worst target in the world for management by consensus. Do you agree?*

A: I don't think you can make a flat statement like that. Because you see the difference in the performance of federal employees depending on the agency. You look at the old traditional established agencies and compare their performance against the new agencies, such as the Environmental Protection Agency or the Energy Department or a few others, those new ones which unfortunately will be phased out.

Q: They have been criticized for being poorly organized.

A: Poorly organized but at the outset of the programs, you found that the staff were very young and well-educated and that they worked very hard.

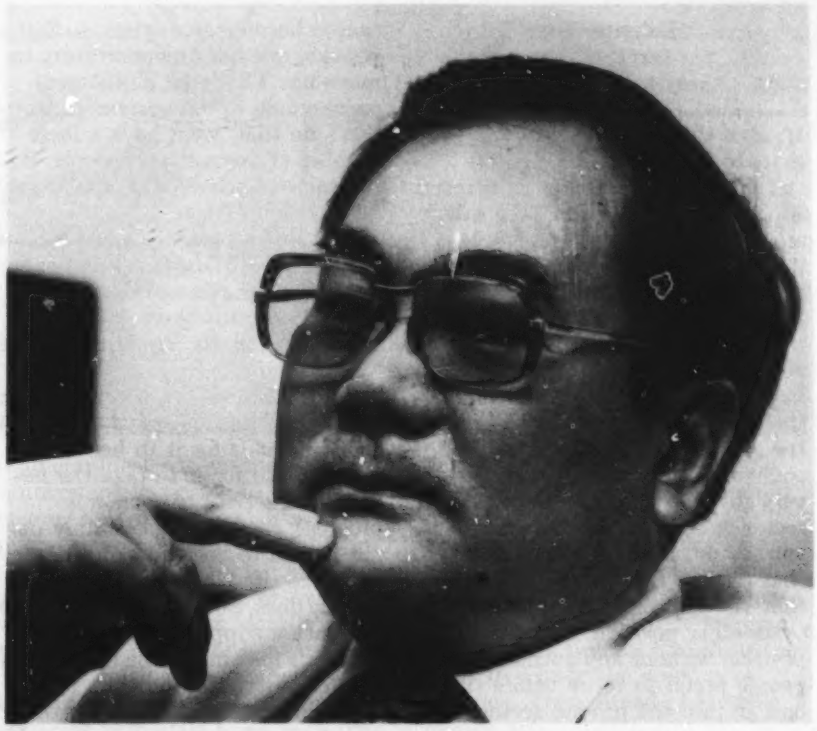
Q: In a consensual way?

A: Not exactly, but at least they worked hard. People worked hard as compared, perhaps, to people in the old traditional departments because of the fact that people who came to the newly emerging departments had a goal of their own. They wanted to do something in the area of improving the environment. They wanted to do something in the area of education. When people have an ideal they work hard. It's purely a matter, I suppose, of recognizing the importance of what they have to do. In the old traditional department it becomes a routine thing and an employee turns out to be mediocre because of the lack of motivation.

However, I think it's entirely dependent upon the attitude of management. If anything discourages the federal employee from becoming motivated I think it is the politically oriented way you run the departments. Every time the Administration changes, the Secretary will bring in a group of political appointees and people who are below don't know how to cope with the change for the first several months. Then after they become accustomed, they look towards the next three years to just go along and then expect another change to come in again. You go through that cycle all the time.

Q: Are Japanese bureaucrats less affected by Japanese politics?

A: They aren't affected at all. As a matter of fact, they think they can run the country—even though they don't say that. The politician has to depend upon the bureaucrats because politicians do not have the expertise in government. They don't have political appointees. The only political appointees we have in each ministry are the minister and the vice minister for political affairs. That's good and bad. Good because of continuity and the consistency of the government policy. On the other hand, if you happen to be a very bright minister, you can't run the ministry because you are alone. Perhaps your vice minister might help but he also



happens to be a political appointee. And you cannot rely heavily upon the bureaucrats because they have their own mind. So you become a sort of nominal figure.

Q: I think that some appointees feel that way, even in this system. But they have special assistants, a layer of employees. . .

A: Both systems have merit and demerit. But consider the fact that the largest number of government employees are bureaucrats. If you place heavy emphasis on the motivation of the bureaucrat then obviously the Japanese system works better than the American political system.

Q: I understand that in Japan the government gets the top people from the schools—that it is a much more prestigious thing to do there, perhaps, than it is here or has become here.

A: Yes, they know that they, not the politicians, run the country. That gives a tremendous morale boost to people who want to be in the government.

The Japanese, as you know, have a lifetime employment system and it is quite difficult to make a transition from one organization to another organization in midcourse.

There is an exception—the government employee. If you obtain a high position in the government, you can slide right into the high ranks of the private corporation, because private corporations highly value the talent and experience of the government employee. The reason is very simple: The Japanese consider the essential role the government has to play is that of the planner. And government bureaucrats tend to develop plans based upon the macropicture and the long range, because they obviously have to work for a long period of time and they have a national interest, rather than the political interest of the region which elected the politician. Therefore, they tend to develop the expertise for thinking of any new program's macroimpact, both global and domestic. That's kind of a rare talent and the private sector would really like to have that kind of talent. So in Japan we find the cream of the crop and the finest

university graduates going into government service. That's the quickest way to go up.

Q: Are the salaries more in private industry?

A: Not a lot, but I'll say the salary scale for government employees is lower than the comparable one in the private sector. But they endure that because of the interest in the work they perform. After waiting 20 years, they really get what they have been after, a high position in the private sector. When you reach the age of 50, your supervisor will come and tell you that they have a very good job for you in the private sector and would you consider it. If you say no, then it's fine, you have that option. But you will discover that you will be transferred to some other position, some nominal position without any authority. So people prefer to retire before that and go into the private sector.

Q: So this is done for them and not on their own initiative?

A: That's right. This is done for them by the people high up in government.

Q: If you haven't made it by the time you're, say, 45, you know you're not going to?

A: That's right.

Q: And then your wages will decrease?

A: No, your wages actually don't decrease unless you are to stay with the company after you reach a compulsory retirement age. Suppose, for instance, you stay with a company and you reach the age of 55. The company offers you a position in a subsidiary or the option to remain with the company for less pay with all the retirement benefits.

Q: How long would you be working?

A: Well, you might work 10 years. It depends; perhaps 5 years. But certainly you give up a good line position to become an adviser, so that a younger one has an opportunity to move up. That's an adjustment we've made in our system. If we don't do that, we'd have a large number of unemployed people. So we started to develop this relatively new system.

Q: Is the attitude toward government among the workers in Japan different than it is here?

A: A little different, I suppose. Our basic concept of the government is different. Our concept of the government is for it to become a planner and for it to take the nation on the path of economic progress, because we certainly do not intend to become a military power as the United States obviously does. So the government role becomes a supportive one, like a teacher's role, in leading the country to prosperity. Raising the economic standard will raise the standard of living for the people. If that's the duty of the government, they have to cooperate with business. Contrary to the popular concept in the United States, the Japanese government does not directly interfere with business activities. They do take an indirect role in attempting to restructure that sort of society so that we can constantly have a high performance in productivity. But they primarily let the market function take care of that.

Q: Do they let businesses fail?

A: If they are in local activity, low technology, low value industry using a proportionately large amount of energy and raw material, then we let them go down the drain.

Q: They just aren't going to prop them up forever?

A: No, again because we don't have the political considerations. Here, you have important politicians who push for survival of such companies if the company is located in their district. Because if he does not do that, there'll be high unemployment and he will not have a chance for re-election. But over there, since the bureaucrats are the ones who run the country, they

couldn't care less about a company going down—or that a Diet member is interested in it.

Q: I have read that women and minorities are excluded from the top levels of management in industry there. Is that also true in the government?

A: It is true. They are rather disadvantaged there. Because most ladies set their primary goal as marriage—rather than a professional career. So most of the time we find that young girls starting to work for the company or government offices resign from their post after they reach the age of 25 or 26. They get married. Some of them choose to return after they raise their children when they can have more time to work. But most of the time they stay retired from active business or government affairs. Because of that, you seldom find Japanese woman executives.

Q: But there are some?

A: Oh, there are some. And of course, you find the largest number of them in the Bureau of Women, in the Ministry of Labor.

Q: How are people selected for managerial jobs?

A: Usually, if you graduate from schools about the same year, you have just about the same chance of being promoted to a next higher level. Of course, if you come from the better colleges, like the University of Tokyo, you obviously have a better chance of making it to management positions faster than the others. But in Japan, we do know that we have just about the same chance as anybody else, depending upon the length of service we put in with the same organization.

Q: Does everybody know what the salaries are?

A: Yes, because of that fact the primary determinative factor at all wage levels is length of service and also the educational background. So

if an employee has graduated from a university majoring in either engineering or liberal arts and has put in so many years with the company, as against the high school graduate doing clerical or routine work, we can almost identify through the computer how much he or she is getting. That's how rigid the Japanese wage scale is. Performance has very little to do with the amount of salaries or wages that you receive.

Q: Are there cash awards or bonuses?

A: Yes, we have bonuses. Not necessarily for individual outstanding performance but everybody gets bonuses twice a year, regardless of what kind of job you perform. As a matter of fact, we have a very egalitarian salary system: regardless of your position you are usually entitled to receive the same percentage bonuses as the executives. Actually the Japanese practice is to divide annual income by 18 rather than 12 and give out 1/18 every month. And then the remaining third will be given to the employees twice a year in a formal bonus. In times of booming economy, this six months bonus could run the equivalent of seven or eight months' salary. But in times of decline in the economy, it could go down to four months' equivalent. This is a buffer Japanese companies use in order to cope with a downturn of economy. In the United States, a company immediately lays off people. But in Japan, we cannot lay off people because we have a lifetime employment system. In a declining economy, when the company cannot afford to maintain excess labor forces, they use many techniques like in-house transfer, re-training and so forth. But the first thing they do is to reduce the amount of bonuses. They already have this money accumulated and so without suffering they can make adjustment. They can keep excess employees this way; they do not have to lay off people. It gives them time to make adjustments.

Q: How often are workers evaluated?

A: Usually once a year. The performance evaluation takes place just as in the United States, I suppose, once a year. Some, twice a year evaluation.

Q: But they don't let people go?

A: No. Evaluation has not much to do with the salary or wages, but it may have a great deal to do with promotional opportunities.

Q: If you were really bad, how would they discipline you?

A: They go through warning and written warning and reprimand and all of that sort of procedure if you are infuriatingly bad. Japanese think that there is no such person as a bad one: It's simply that the person is not placed in the right job or he was not properly trained or he

was not properly motivated. If you have an employee or subordinate who cannot perform at the level of your expectation, it's management's responsibility, not the man's responsibility.

Q: Do they spend a lot of time on motivating people?

A: It's a big thing. Obviously, discussing an issue with the subordinate and among line supervisors is a motivating factor; they are being consulted, they get involved in the decision making process. That's a motivational program in itself. Also Japanese devote very large amounts of time as well as a lot of money for training people in new techniques and new systems. Naturally, people do not object to being offered the opportunity to expand knowledge and apply a new skill. And that's another motivating factor.

Q: But it isn't necessarily more money?

A: We don't tend to interpret anything we do in terms of monetary compensation. Some of the things we do may result in increased monetary return, but some may not. If not, it gives us more opportunity to do better things that give self satisfaction. There has to be a balance, of course, of those factors. We don't interpret the accomplishment immediately in terms of money, as Americans do.

Q: Some Japanese companies in America have not been too successful because both sides had unrealistic expectations. When they are trying to remedy that, more training always seems to be the answer. They seem to feel that if they just could get the message across, it would work. Is that true?

A: That's very true. Initially most of the Japanese companies go through that stage in this country, because Japanese have no understanding of the mentality and the behavior pattern of American employees.

Q: But they think it's worth putting up with it, anyway? Financially?

A: Americans are basically a hardworking, highly educated people. And they can be made into very useful workers, given the proper training and motivation, the proper compensation.

Q: I have been reading about Japanese language, that it is basically pictorial and that it is hard to type; therefore they don't write memos a lot. Is that true?

A: That's true, not so much as Americans do. They rely more upon verbal communication, which is more intimate than written communication. This makes communication between top management and middle management quite easy. Also, the surprising fact is that even though Japanese characters are difficult to write, they are very easy to understand. So I might not know the exact meaning of a certain word but because of the way it's written, I can *guess* as to what it means. I can have instant comprehension of Japanese and can scan it to get a rough meaning. I can whip through the pages very fast. The pictorial nature of the character makes it possible for me to understand the rough meaning of the author, which in English you cannot do. So there is that advantage in it; but there are disadvantages in writing because it takes an enormous amount of time.

Q: Japanese managers are generalists rather than technical specialists. This argument seems to go on in America all the time: Do you want the person who knows the nuts and bolts or do you want the generalist?

A: They are taught many skills. Because after all we live in a changing world. Today's skills might not be needed tomorrow and in that sort of situation, I think the Japanese system obviously works better than the old traditional system. Under the traditional system you might have one set of expertise but that expertise might not be needed anymore; for instance, welding skills, painting skills, certain required skills in assembly operations. That skill can be replaced by robots and control systems. All of a sudden the workers find that there is no place to go and retraining them requires an enormous amount of time and money. Japanese managers can make adjustments immediately because they have training and skills in many areas. Also, in making decisions, a manager relies upon a wide perspective based upon his exposure in different management areas. In the United States, if you come from the area of finance, you tend to make decisions based upon the financial facts, not on requirements of production or whatever, because you are already an expert. It gives you a deep perception of the issue in a certain sense, but at the same time it gives you a sort of misguided conception with respect to other elements or factors or new expertise. So I suppose it depends upon what viewpoint you take in determining what the Japanese method is: It's better or worse than the American method.

Q: If a worker's specific skill is obsolete and he is learning how to do something else, is he retained at the same salary?

A: Usually he'll be transfered to a better job because we're introducing a large number of automated systems in the production area. Robots replace redundant, dangerous, rather simple work. No one wants to do those things to begin with and people who are replaced by the system simply have the opportunity to use more of their brain than their hands and feet, because the lifetime employment system guarantees them a job. In order to make it possible for management to keep employing those people we simply retrain the people with a new skill. So in this sort of situation, multi skill training suits us quite well.

L. G. T.

THE "LONE RANGER" SYNDROME

(Helping Supervisors to Ask for Help)

By Arthur J. Purvis

A good friend of mine, who's also a member of Alcoholics Anonymous, tells a story about a remarkable change in his value system. When he was a boy, he says, his hero was the legendary masked man who lived alone in the desert with his horse. Periodically, when trouble brewed, this masked man would ride into town, drive off the "bad guys," and then disappear, majestically and alone, into the desert—as someone called after him, "Who *was* that masked man?"

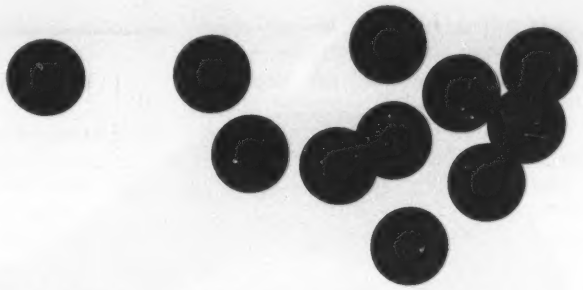
It was only after his recovery from alcoholism, says my friend, that he began to realize, "Someone who lives alone in the desert with his horse is *weird!*"

The ideal of the strong person who "goes it alone," "bears her cross," "toughs it out," or maintains "a stiff upper lip" is not, unfortunately, limited to alcoholics. It's an ideal that has become deeply embedded in our culture, folklore, and society. It's an ideal that—while it has undeniable appeal to the romantic in each of us—poses a distinct threat to effective management and supervision. It's an ideal that prevents supervisors from getting the help they need in dealing with over 400,000 alcoholic employees, drug-addicted employees, and employees with emotional problems—employees who cost the Federal Government an estimated $2 billion, annually, in salary losses alone.

I call it the Lone Ranger Syndrome, though it predates that character and applies to rangerettes as well as rangers. I think of it as a syndrome—a word characteristic of an illness—because, in many respects, it is an illness—an illness of the feelings. I link it to the Lone Ranger because the Lone Ranger wore a mask, and the Lone Ranger syndrome *is* a mask—a mask for feelings of anger, frustration, fear, helplessness, guilt, and betrayal.

New Approach

Helping supervisors take off their masks and "ride into town" is the goal of a new approach to employee



assistance which is finding increased acceptance with agency counseling programs. There is a distinct trend toward recognition of the supervisor as a client in his or her own right, who needs and is entitled to assistance.

At this point, I might as well admit (because the trivia experts will hang me if I don't) that, in reaching for an analogy, my A.A. friend and I have misrepresented the *real* Lone Ranger. After reading the first paragraphs of this paper, our secretary complained, "But the Lone Ranger didn't live alone! He had an Indian friend, *Tonto!*"

I know! and, while I confess I haven't researched the relationship, I feel as certain as can be that the real reason behind the masked man's countless successes was, in fact, his forgotten Indian pal. Without Tonto as his partner/advisor/sounding board, I'm convinced, the Lone Ranger would have fired most of the silver bullets astray. So the Syndrome among supervisors, is, really, trying to go the Lone Ranger one better—trying to do the job without *Tonto.*

From this perspective, then, one objective of agency counseling programs is to link up each supervisor, troubled by employee behavior or performance, with his or her Tonto.

Beginnings

Much of the theory and practice of this approach has been described in two previous papers: "A Model for Counseling Troubled Supervisors" (Phillips and Older, Alcohol Health and Research World, Fall, 1977) and "A New Approach to the Training of Supervisors and Union Personnel" (Older, Phillips and Purvis, Labor-Management Alcoholism Journal, July-August 1978).

In the first paper, "A Model for Counseling Troubled Supervisors," it was argued that supervisors of troubled employees may, themselves, need counseling. The reasoning was as follows:

- *Supervisors of troubled employees often feel angry, fearful, frustrated, letdown, etc. In many ways, these feelings parallel the feelings of troubled employees.*
- *Some supervisors are overwhelmed by the strength of their feelings. They may feel overpowered, helpless, guilty, and inadequate. Because of feelings of guilt and inadequacy, they may try to hide or* deny *their anger, frustration and fear.*
- *Denial of feelings and denial of the problem usually go hand-in-hand.*
- *While denied (suppressed) feelings continue to build in the supervisor, adding to stress, the denied (and therefore ignored) problem gets increasingly worse and more out of control.*
- *An inverse relationship is established between the seriousness of the problem and the supervisor's ability to cope with it.*
- *Finally, the supervisor is unable to deal with the problem without counseling.*

This pattern of "communicable" feelings may sound familiar to anyone who works closely with such organizations as Al-anon, Alateen, and The Other Victims of Alcoholism. And, of course, the principles are not new, although their applicability to supervisors is something we have just begun to focus on and work with.

Behavior-Feeling-Behavior Analysis

In our second paper, we introduced a three-part questionnaire designed to elicit from supervisors: (1) their observations of performance and conduct deficiencies *(behavior)* typical of "troubled" employees; (2) the *feelings* triggered by these deficiencies; and (3) their subsequent actions or inactions *(behavior),* as a result of these feelings.

Part I of the questionnaire is aimed at breaking down supervisory *denial* of the problem. It's well known that alcoholics, drug abusers and some emotionally troubled people tend to deny their problems. It's less well known, but equally true, that those around them (relatives, friends, *and bosses)* often participate in this denial. It's as important to confront supervisors with factual evidence of the existence of a problem as it is to confront the troubled employee. Our type of questionnaire, in fact, parallels those devised by AA and others (e.g. "If you've checked even one of these items you *may* have a problem; more than three, you *probably* do; more than five, you're in *trouble!").*

Part II deals with the critical element of feelings. It's important for supervisors to see these feelings as normal and not as a sign of inadequacy or failure. Feelings of rage, helplessness, betrayal, fear, etc. can be interpreted in just this way.

"Why do I feel so helpless?"

"I *shouldn't* be so angry!"

"What am I doing wrong?"
"What can I do?"
Etc. etc. etc.

"Symptoms" Examined

It's easy to see how these feelings can build and undermine the supervisor's or steward's self confidence. As one way of varying the "normality" of these feelings we examine what we term the "common denominator symptoms" of alcoholism/drug abuse/emotional problems. These *common denominator symptoms,* (1) *Loss of Control* (compulsion), (2) *Denial of the Problem,* and (3) *Progression,* are very useful in illustrating the natural links between employee behavior and supervisor or steward feelings.

"How could he? He promised it would *never* happen again!" (compulsion)

"But she said she never drank!" (denial)

"I hoped things would improve after his wife got out of the hospital, but things are worse than ever!" (progression)

All three symptoms, but particularly the second (denial) can also be paralleled with supervisory behavior. e.g. *Employee Denial:* "I can take care of my *own* problems, can't I?" *Supervisory Denial:* "Let me have another crack at doing it *my way.*"

Context Adds Freshness

Several years ago, I read a description in a journal of psychology of one of the self-help organizations—I forget which one—and was struck by a short paragraph in which the movement's founder described a part of the process used to get participants to stop pretending and admit to their feelings. He said, and I can only paraphrase,

"We use laughter a lot, because we've found that once people accept themselves as members of a society of fools and sinners, the pretensions of the ego become less important and are more easily dropped."

Key Process

We try to use this process in our training, to help supervisors drop their masks. If they can not only see, but also laugh about, the ways in which their feelings and behavior parallel the feelings and behavior of their alcoholic, drug-addicted, and/or emotionally troubled employees, we've gone a long way toward dissipating feelings of guilt, inadequacy, fear, etc. that block them from asking for help.

Finally, we get back to Tonto! Supervisors, who have talked about and laughed at their feelings and non-productive behavior, are now comfortable with themselves—nothing left to hide—ready to ask for help. Who do they ask? Why, *Tonto,* of course! (For anyone who hasn't figured it out, Tonto symbolizes the agency or company counseling program).

Wrong Focus

So how do we present Tonto to the supervisor eagerly awaiting assistance? My thesis is that, all too often, counseling programs come across as more the threatening savage than the faithful companion and guide. Too often, the idea is conveyed, whether in training or on-the-job, that supervisors, (union stewards, or whoever), had better not darken the door of the counseling program unless they have their tepees in *order.* ("Have you observed, documented, confronted?" "Have you read the regulations?")

Supervisors who haven't may be driven from the office by a hail of arrows. ("Come back when you've *read* the regulations, *documented,* etc. etc.") Too often the focus of supervisory training is on what we expect of the supervisor, rather than what the supervisor can and should expect of an employee counseling program.

We've tried to change that focus. We've developed what we call "A Supervisor's Bill of Rights." It deals not only with the "hang up" of asking for help, but also with what the supervisor has (or should have) a *right* to expect, once that help is sought. We see our "Bill of Rights" as a training tool, not only for supervisors and stewards, but also for personnelists, counselors, and program people in general.

Helping supervisors to ask for help may yet prove to be the breakthrough we've long been waiting for in employee counseling.

Arthur J. Purvis is acting program manager, Alcohol/Drug Abuse Program, OPM.

This article was adapted, with permission, from "Getting Rid of the Lone Ranger Syndrome in Supervisors," the Labor-Management Alcoholism Journal, July-August 1979, copyright 1979 by the National Council on Alcoholism. The questionnaire was taken from "A New Approach to the Training of Supervisors and Union Personnel," from the same publication, July-August, 1978.

Supervisors' Rights

Article I
When I ask my agency counseling program for advice, it:
1) *Is not a cop-out* or admission of any failure on my part as a supervisor. On the contrary, it's good management. When I need a specialist—whether it's to fix a typewriter, program a computer or paint a wall—I should get one. Helping a troubled employee is one of those times. Letting professionals do their job is a part of my job.
2) *Doesn't commit me to anything.* The decision whether to confront an employee, to refer that person, or take action against an individual remains mine. The advice I receive will be *just that*—advice—but it will be professional advice.
3) *Is confidential.* What I say will not be passed on to my employee, my supervisor, or anyone else.

Article II
As a supervisor I'm entitled to the following services from my agency counseling program:
1) A patient, understanding, and professional hearing of my problems with and feelings about the employees I supervise.
2) Assistance in working out those problems and feelings in a productive way, so my employees can do their jobs and I can do mine.
3) Guidance in documenting performance and behavior problems.
4) Guidance and support in confronting my employees about their performance and behavior problems, where this is necessary.
5) Competent and professional handling (counseling and/or referral) of employees I send for help.
6) Follow-up with treatment resources to determine whether employees are receiving the services promised and whether they are following the prescribed treatment programs.
7) Follow-up with me, to the extent permitted by confidentiality regulations.
8) Continued assistance, as necessary, to the employee and to me in readjusting to a productive work relationship.

Questionnaire
Part I
Think about the employees you supervise. Do any of them have any of the following characteristics? Go through the list below and place an "X" next to each characteristic you have noted.

Changes In
1. *Absenteeism*
___ a. Multiple instances of unauthorized leave
___ b. Excessive sick leave
___ c. Frequent Monday and/or Friday absences
___ d. Repeated absences, particularly if they follow a pattern
___ e. Excessive tardiness, especially on Monday mornings or in returning from lunch
___ f. Leaving work early
___ g. Peculiar and increasingly improbable excuses for absences
___ h. Higher absenteeism rate than other employees for colds, flu, gastritis, etc.
___ i. Frequent unscheduled short-term absences (with or without medical explanation)

2. *"On-the-Job" Absenteeism*
___ a. Continued absences from post more than job requires
___ b. Frequent trips to water fountain or rest room
___ c. Long coffee breaks
___ d. Physical illness on the job

3. *High Accident Rate* (and, consequently, more accident claims)
___ a. Accidents on the job
___ b. Accidents off the job

4. *Difficulty in Concentration*
___ a. Work requires greater effort
___ b. Jobs take more time

5. *Confusion*
___ a. Difficulty in recalling instructions, details, etc.
___ b. Increasing difficulty in handling complex assignments
___ c. Difficulty in recalling own mistakes

6. *Spasmodic Work Patterns*
___ a. Alternate periods of high and low productivity

7. *Reporting to Work*
___ Coming to/returning to work in an obviously abnormal condition

8. *Generally Lowered Job Efficiency*
___ a. Missed deadlines
___ b. Mistakes due to inattention or poor judgment
___ c. Wasting more material
___ d. Making bad decisions
___ e. Complaints from users of products
___ f. Improbable excuses for poor job performance

9. *Poor Employee Relationships on the Job*
___ a. Over-reaction to real or imagined criticism
___ b. *Wide* swings in morale
___ c. Borrowing money from co-workers
___ d. Unreasonable resentments

Part II
Now, go back over the list and for each item marked X indicate in the left hand margin how you felt about this type of employee behavior.

A. ☐ I felt helpless.
B. ☐ I was sad.
C. ☐ I felt hurt
D. ☐ I felt let down.
E. ☐ I was fearful about what might happen.
F. ☐ I felt guilty somehow.
G. ☐ I was angry.
H. ☐ I felt superior.

Part III
One more time, go over the list, and for each item marked X, indicate in the right hand margin what you did about this behavior.
A. ☐ I did nothing, I ignored it.
B. ☐ I covered up for him/her.
C. ☐ I gave him/her a good "chewing out."
D. ☐ I moved him/her to a less demanding job.
E. ☐ I cut off communications with him/her.
F. ☐ I complained to others (my boss, colleague, secretary, wife/husband, etc.)
G. ☐ I threatened him/her.
H. ☐ I did his/her work.
I. ☐ I promoted him/her.
J. ☐ I persuaded him/her to retire.
K. ☐ I resigned/retired.
L. ☐ I did something else.

Merit Pay Attitudes Signal Need for Management

INVOLVEMENT

By Efstathia A. Siegel

This year, 1982, will be the first year the merit pay system will work as intended government-wide. Created by law as a management tool for distinguishing and rewarding better job performance, merit pay has been in limited effect in 1980 and 1981.

In September 1981, the Comptroller General of the General Accounting Office limited the amount of money in that year's merit pay fund by reducing the quality step increase monies on an average from 0.4 percent of payroll to 0.1 percent and by reducing the within grade monies by 50 percent. At these funding levels, most merit pay employees rated "fully successful" would not have gotten comparability. To avoid this occurrence, OPM Director Devine decided to award the full comparability increase to all merit pay employees in October 1981, thus lowering significantly the funding level for merit pay pools. (See Chart.)

This limitation on pool funding weakened the effectiveness of merit pay as a substantial reward for outstanding performance. Although the transitional plan prescribed by Director Devine allowed for additional compensation above the 4.8 percent general pay increase for employees rated at or above "fully successful" or "fully satisfactory," the amounts were significantly smaller than those projected under the original plan.

In 1980, however, eight agencies implemented merit pay systems as intended and made actual payouts (***Management,*** Spring 1981). Due to funding irregularities which occurred in 1981, an analysis of 1980's payout findings reveals more of how the merit pay system does and should work.

Since the 1980 payouts, several studies and surveys have been conducted to analyze and make available to managers information based on the actual merit pay experiences.

Some of the major findings from these studies are:

Pay and Performance Appraisals—Merit pay systems can provide a strong link between pay and performance appraisals.

- Most merit pay employees received increases ranging from 4.55 percent to 25 percent (as compared to the GS increase of 9.1 percent and within grade increases which had been earned).
- More than 93 percent of the merit pay employees received increases equivalent to or greater than the full 1980 annual increase (i.e., 9.1 percent). Those who received less were, in fact, those who received the lowest ratings in their organization.

Employee Attitudes—Most merit pay employees who received payouts were supportive of the concept of merit pay, although substantial negative attitudes about its administration were expressed.

- Most of their negative concerns involved lack of trust in senior management to carry out the system equitably and fairly.

• Affected employees expressed doubts about the adequacy of merit pay pool funds.
• A majority of employees who participated in the 1980 payouts said that, if given the option, they would choose to stay in merit pay.
• Merit pay was seen more favorably by those who feel that the system rewards high quality performance.

Ratings and Management—
Belief in the integrity of the performance appraisal system strongly influenced the level of acceptance of merit pay systems.
• Intensive involvement of the pool manager during the performance appraisal cycle is likely to make his active role in the rating process more acceptable.
• Employees *involved* in the standards development process were more likely to view the performance appraisal process as fair and tended to view merit pay favorably.
• Serious rating problems occurred at appraisal time where there was a lack of continuous performance monitoring by senior management throughout the year.
• The high distribution of "exceeds fully successful" and "outstanding" performance ratings had a direct impact on the amount of funds available for differentially rewarding levels of performance (i.e., less money was available to reward this high rating).

What Senior Management Should Do to Get Merit Pay to Work:
• Make clear to supervisors their role in the performance appraisal and merit pay processes; emphasize the need to set appropriate standards and to differentiate appropriately among performance levels.
• Make sure second level, pool wide reviews of all performance agreements occur, checking for appropriateness of elements and difficulty of standards throughout the rating cycle.
• Review performance agreements for comparability of elements and standards across divisions or, when pool size or structure makes this infeasible, establish a second level review procedure to do this.
• Require periodic performance reviews to provide feedback to employees during the rating cycle and to test the adequacy of elements and standards.
• Require that criteria for distributing merit pay funds are clear and that funding information is communicated to affected employees.

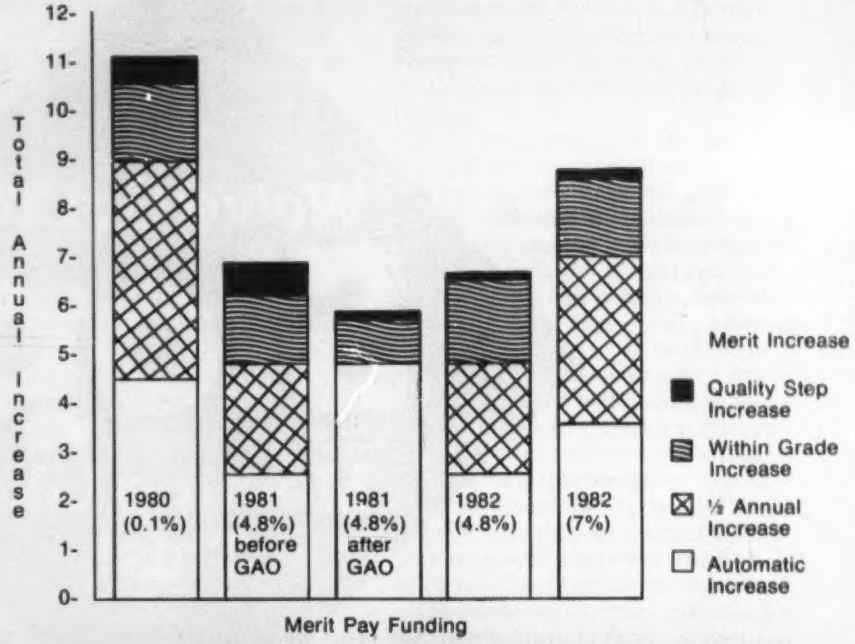
Conclusion
While merit pay can bolster sound management, it is no substitute for it. In fact, if serious organizational problems exist, merit pay can accentuate these problems. The experiences in 1980 showed that, if employees did not trust managers before merit pay, merit pay exacerabated this situation; if agency goals were not clear before merit pay, this lack of clarity became more apparent; if agency management lacked the ability to make performance distinctions before merit pay, this system did not provide a magic solution. Implemented as intended, however, merit pay can provide needed incentives for more effective management.

Additional information can be obtained from "For Merit Pay Pool Managers—Merit Pay in 1980: Lessons Learned" by Pat Power, Laurie Rothenberg and Peg Anthony at 202-632-4220.

Funding Levels

As shown on the chart, the relatively large annual increase (9.1 percent) in 1980 and the larger contributions to the merit pay fund for within grade and quality step increases account for the larger pool in 1980. After the GAO decision restricting within grade and quality step contributions, Director Devine increased the automatic portion for 1981 from 2.4 to 4.8 percent. Most merit pay employees in 1981 received from 4.8 to 7 percent increases. Had the system been allowed to function as intended, the increases would have ranged from 2.4 to 11 percent or more.

In 1982, within grade contributions will be restored to the original level, but the QSI contributions will remain at the lower level (i.e., about 0.1 percent of payroll). Before merit pay, only about 0.1 percent of pay was distributed based on merit (i.e., quality step increases); in 1981, about 1.0 percent was distributed. In 1982 and beyond, the figure should be well over 4.0 percent, thereby ensuring an adequate amount in the merit pay fund.



Merit Pay Funding

Benefits Comparisons

Based on a recently published survey of 3,000 companies by the New York-based Conference Board, private sector employees are enjoying more paid time off and are earning it sooner than they did in the early 1970's. The gains in increased leisure time have occurred mostly in the areas of retirement and paid leave.

The Conference Board survey compared benefits packages offered by a broad range of companies with survey data gathered in 1974. The data indicate that private industry benefits are getting closer to those offered in the public sector.

• **Time Off With Pay.** The typical private industry benefit allows a five-week paid vacation after 20 years, reached in the following increments: two weeks after one year, three weeks after seven years, and four weeks after 15 years. This compares with 13 days a year for the first three years, 20 days for the next 12 years and, after 15 years, Federal employees earn 26 days of annual leave each year.

• **Paid Holidays.** Private industry allows for 10 paid holidays per year as compared with nine allowed Federal employees.

• **Retirement Plans.** The average company surveyed provides a company-paid pension integrated with Social Security benefits, and grants 80 percent of the benefit for retirement at 60. The plans vest fully after 10 years of service and retirees' income is adjusted periodically for inflation. This compares with the Federal retirement plan, which provides its own pension, exclusive of Social Security benefits, and allows for retirement at age 55 with 30 years of service. Federal employees can get a lifetime annual income equal to 56¼ percent of highest average salary earned during any three consecutive years of employment. If a Federal employee leaves after completing 5 or more years of service, he can either have his money returned or leave it in the fund until age 62 when he is eligible to receive an annuity. Federal pensions are adjusted annually for inflation.

Employee Benefits—Federal vs. Private Employers
The following chart, based on a seven-year study by OPM, shows the comparative values for Federal and private benefits for 1980 and 1981:

1981:

Benefit	Federal Value	Private Value
Retirement	**28.2% of pay**	**17.1% of pay**
Life Insurance	**0.3% of pay**	**0.9% of pay**
Health Benefits	**$903/year**	**$1242/year**
Secondary Benefits	**0.3% of pay**	**5.5% of pay**
Scheduled Work	**2080 hours**	**2054 hours**
Leave	**361 hours**	**351 hours**

1980:

Benefit	Federal Value	Private Value
Retirement	**28.2% of pay**	**16.7% of pay**
Life Insurance	**0.3% of pay**	**0.5% of pay**
Health Benefits	**$760/year**	**$1045/year**
Secondary Benefits	**0.3% of pay**	**5.5% of pay**
Scheduled Work	**2080 hours**	**2062 hours**
Leave	**367 hours**	**352 hours**

OPM Statistics and **The Atlantic Journal**, January 19, 1982 EAS

We've Got To Stop Meeting Like This!

By Annette Gaul

A meeting by any other name— whether it's a workshop, conference, symposium, hearing, or reunion—is still a meeting.

- In the United States alone, an estimated 11 million meetings are held *daily*.
- Executives spend any where from 40 to 75 percent of their time in meetings.
- Meetings are ranked by executives as their fourth biggest time waster, next to telephone interruptions, drop-in visitors and ineffective delegation.

Volumes have been written for managers on running meetings, ranging from informal techniques to the proper use of Robert's Rules of Order (and who is Robert, anyway?).[1]

There are staff meetings, sales meetings, board meetings, task force and committee meetings, club meetings, community action meetings, more meetings and even more meetings. This article will concentrate on one type of meeting all managers and employees have experienced, that bane of many a manager—the staff meeting. Three key questions are addressed:

1) Why have staff meetings?
2) Why are most of them so B-O-R-I-N-G?
3) What can be done to help staff meetings better serve their function?

If you think this subject is unimportant, think for a minute about what these meetings cost your organization. For example, ten people earning $15 an hour on the average (that's the salary of a GS-12, step 5) meeting one hour per week cost your organization almost $8,000 a year, not including preparation time or post-meeting discussion. And the cost would be much higher for meetings that include travel, per diem pay or material costs.

So think again. Are you using staff meetings to your best advantage? Are they cost-effective? Are they necessary?

To Meet or not to Meet

The objectives of a staff meeting are to transmit or clarify ideas, problems or decisions; to get participation in problem-solving; to motivate staff; and to help employees act as a cohesive group. They are a two-way communications tool—when used properly. That means holding a staff meeting only when necessary to meet a previously determined objective.

Peter Drucker contends that "the ideal is the organization which can operate without meetings—in the same sense in which the ideal of the machine designer is to have only one moving part in his contraption." Since the ideal is at times elusive, perhaps the first question to ask yourself is, "Why am I holding this meeting?" If a clear response does not come forth quickly, don't hold the meeting just for the sake of ritual. Once you have established your purpose, determine whether what you want to accomplish might not be better handled by phone or memo.

Meeting Disaster

The most common complaints about staff meetings are that they're too routine, too frequent and, in the words of at least one disgruntled employee, run "half-fast" by people who cannot effectively conduct them.

In addition, participants may feel the staff meeting is not a comfortable forum for expressing their true views; may be silent because they think the best way to get ahead is not to disagree; or may be apathetic because the manager does not listen to what is being said or may not reward good ideas or act as promptly as promised.

An important consideration before meeting is, what your employees hope to get out of it. They want involvement and participation without reprisal. They want to know what's going on, and what their role is in the organization. They want to know how policies and programs will affect them as well as what contributions they can make.

[1] *Henry Martyn Robert, South Carolina born military engineer and parliamentarian. First to codify rules of parliamentary procedure in 1876.*

And they are not as enchanted as you are with the music of your own voice. George Odiorne, commenting on the manager's role in a meeting, states that "the leader plays a special active role, but he doesn't dominate or manipulate the session. His main job is to serve in the capacity of a PBX switchboard operator in a live session, where he gives everyone who has an opinion an opportunity to present it."

Employees may also dread staff meetings because they may feel like a captive audience. This feeling of dread can multiply when someone is in a meeting with both his employees and supervisors: he has to look good for all of them. That problem can be solved by avoiding too many levels of workers at one staff meeting.

Lest you rush right out to cancel all future staff meetings, remember that skills needed to run a staff meeting (or any other type of meeting) are not genetically inherited. They can be acquired through practice and a sense of commitment to being a good manager. Just think of it as one more, very important management skill.

Meeting with Success

A staff meeting has a good chance for success if you keep in mind the following:

1.) Prepare for the meeting by asking *"What do I want to achieve?"* Hold meetings when there is something worth communicating—whether it's an action item or information exchange. Focus the meeting with goals, priorities, a time frame, necessary assignments and follow-up. Make it a cooperative staff effort, not a monologue. Think of it as a management cycle that needs to be completed.

2) *How long will it take?* Set a realistic time frame, considering what's on your agenda. An action oriented meeting may tend to take longer than an informational meeting. (White House Deputy Chief of Staff Michael Deaver reportedly turns down requests for 15 minute meetings with the President because he thinks that no meeting can be held in such a short time frame.)

3) *Who should attend?* Perhaps not all staff need to be there. On the other hand, persons not usually included could perhaps be asked to attend to provide new insight to an agenda item. Ask participants in advance if there is something they feel would be pertinent to the agenda. Let them understand what their role will be—are they there to work on a problem, contribute ideas? Circulate the agenda as well as other necessary materials ahead of time.

4) *Start the meeting on time.* Stragglers will learn you mean business.

5) *What's my meeting leadership style?* During a meeting, be open to new ideas, listen thoughtfully and stick to the agenda. One of Defense Secretary Casper Weinberger's aides was recently quoted praising his boss, "the old obfuscating techniques don't work with Cap. He has an internal gyroscope that keeps his course in any conversation." If the meeting objectives are not being met, end the meeting.

6) *Have I done what I set out to do?* Adjourn the meeting on time and be sure to follow-up, or delegate to others, any activities, ideas or tasks brought up during the meeting. Evaluate how the meeting went, staff receptiveness and goal accomplishments.

A Few Suggestions

• Change the scene. The same room, the same seats get to be a rut. Meet in someone else's office.

• Start the meetings at odd times. One high level government manager convenes her meetings, for example, at 10:13 instead of 10:00 because doing so calls attention to the time and people are less inclined to be late.

• A city official in Columbus, Ohio plays a "circle" game with his employees. "I ask someone to tell what he perceives to be the work problems of the person to his left, and so forth, till the circle is complete. This helps everyone understand each other's hassles and constraints and allows participation by all."

• A non-profit management association director holds routine staff meetings but has a different person run the meeting each week. Everyone, whether support staff or professional staff, has a turn at leading.

• Have everyone stand. It's amazing how much faster a meeting goes when people aren't comfortably settled back into their chairs.

• Use a buzzer or a bell. A participant who feels the discussion has gone off-track can push the buzzer or ring the bell as a signal to get back on course.

• Arrange for speakers, either from the organization or outside it, on topics related to the organization's business. Short talks with discussion can be a rewarding learning experience for staff. This can be especially useful when training budgets are limited or when rumors in circulation must be addressed.

• Raise a controversial issue for discussion.

• Serve pastries. A novel idea, albeit caloric and costly, this courts the danger of turning the meeting into a social hour, but one professional association manager swears by it.

• Hire a consultant to train managers in meeting skills. Some private sector firms use outsiders to conduct their meetings. Theory has it that participants feel freer to contribute if their boss isn't running the meeting.

• Get a version of a model gadget called a "Consensor." The meeting leader punches in the salaries of those attending and the cost of the meeting flashes on a screen every six minutes.

Staff meetings do not have to be a waste of time. And staff meetings do not have to be a bane to managers or employees. Try some of these ideas or some of your own when you meet again . . . and again . . . and.

Annette Gaul is a writer/editor in the Office of Public Affairs, OPM.

Managers– Born? Developed? – or Both?

By E. C. Kilgore

Any organization is only as good as its people; its future is generally only as sound as its ability to select and develop the next generation of managers.

Most executives would agree that this premise is at least more true than not. However, in practice many top executives tend to relegate people development to a lesser priority - to be concerned about if time allows. The organization at all levels soon reads this clear signal and reacts accordingly, with people development having no priority at all.

Even a cursory examination of the best managed and most productive corporations and government agencies reveals a close correlation between success and the priority given to growth and development of managerial talent. It would be an oversimplification to claim this as the sole reason for success; however, it may well be the key to continuing vitality of all organizations.

The development of tomorrow's managers will not just happen by itself. Top management must provide a structure and require accountability of lower managers which will insure a continuing effort in development of people. An important element in the performance appraisal for all managers must address their success in carrying out this task. We have all observed organizations that spend large amounts on management training of all types under the mistaken impression that training will guarantee an effective next generation of managers. They fail to recognize the fundamental difference between training and development. Training can provide a knowledge of management tools, such as scheduling systems, control systems, management styles, and organizational alternatives, to mention a few. These are all desirable and helpful to a manager, but they by themselves do not guarantee success. Development of managers can only be accomplished by providing progressively difficult and challenging management experiences to people as they rise to the top of the organization. If people with high potential survive in shallow water they should be thrown into deeper water. Those who have the ability and desire will continue to swim.

These progressive assignments provide top management a chance to observe ability and, even more important, they provide the aspiring manager an opportunity to determine whether management is truly what he or she envisioned. If they pay attention to this process, top management can with some degree of certainty match abilities with the proper management levels in the organization. Prospective managers will discover for themselves that going higher in the management chain has its challenges and even some rewards, but at a demanding cost in both time and energy. Some discover that being a top executive "where the buck stops" is a very exposed and sometimes lonely position.

Mobility within an organization is a key ingredient in progressive management experiences. And, it need not have the connotation of geographical moves. In an organization with geographically dispersed units some moves are desirable and even necessary in order to provide broad experiences for future top level managers. However, there are many opportunities to provide a wide range of experiences by only moving down the hall.

In addition to understanding a specific discipline, all managers must organize, plan, control and deal with human resources. Some hands-on experience in budget, personnel, procurement and other disciplines that will be invaluable later in the manager's career can usually be provided within one facility.

Mobility and multiple job experiences obviously cannot be made available to everyone in an organization. Selection of candidates with high potential as future managers must be done with great care. What should top management look for? Obviously, candidates must have demonstrated outstanding capabilities as individual performers in one or more jobs. However, outstanding performance is not enough: candidates must possess the desire to lead—to manage—to accomplish things with, and through use of, people. In this respect, perhaps, managers are truly born and not made: early in their career they find they get their challenge and motivation from leading people to achieve an objective. No matter how great candidates may be as individual performers, they will generally not be successful as managers unless they thrive on doing things with people. We all know of examples where an outstanding performer is thrust into a management role and becomes increasingly frustrated with the responsibility for people. Usually we "band aid" these managers by appointing a deputy to manage or, as it is usually phrased, to "handle the administrative details." At best, this usually results in a one-man show with the organization never achieving anything near its full potential.

Outstanding individual performers are vital to a good organization and should be recognized as such. This is particularly true in a research and development organization where it is mandatory that some form of parallel career ladder exist to provide the outstanding researcher a route to the top as an alternative to the management route. The parallel ladder provides challenge and reward to capable people who lack either motivation or ability to lead others. Ambitious people will strive for the top; if the only route is through management positions they assume this role to the detriment of their organization and to their ever-increasing personal dissatisfaction.

In recognizing management potential, another important ingredient is the candidate's genuine concern for people as well as for achievement of results. This is an important balance for the long range success of a manager. It is also a difficult transition for a new first-line supervisor to

make. No longer one of the troops, he or she now has a responsibility to the total organization as well as to those supervised. The new supervisor can approach this new role by becoming a dictator and no doubt achieve some short term results. However, the long range health of the organization will suffer and in extreme cases fail. Conversely, a new supervisor who allows a totally permissive society ignores his responsibility to the organization as a whole and can end up with a chaotic situation.

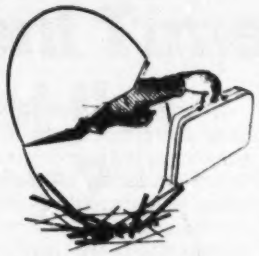
Neither of the two extremes—the dictatorial manager or the permissive manager—will build long range effectiveness in an organization; each should be avoided in selecting management candidates. It is true that successful managers will be called on to use extremes in management styles at times, but in the long run organizations seem to prosper where a leader balances concern between people and end results.

It would be simple to select high-potential management candidates if rigorous tests or other quantitative measures existed to determine capability, leadership, desire to manage, interest in people, and interest in results. Unfortunately, those that do exist are imperfect and inconclusive.

How does top management select candidates with any degree of certainty? First, they look for top performers who have evidenced some leadership characteristics. Second, they apply intuition based on experience and observation of the candidates, and, third, they consider the desires and ambitions of potential candidates. Subjective as this process is, it is a reasonable starting point. Exposing the selected candidate to real and increasingly more complex management assignments is the true and rigorous test. This is a dynamic process where some soon discover for themselves that management is not their preference or strength. And, top management can soon observe that others do not measure up to the potential expected. This all requires close attention and time-consuming observation by agency management, but the long-range health of the organization is worth it.

Generally this effort will not be expended without a system that forces continuing accountability on top management and their subordinate managers. After the careful screening and selection of candidates, a development plan for each should be formulated between candidate and supervisor. It should not be an attempt to plan an entire career; it should cover only the near term steps, be simple and concise and be updated periodically. Both training and development experiences should be considered.

Development plans generally are more meaningful if they aim the candidates toward a specific management position or class of positions. This not only tends to focus the development planning but also provides a realistic goal for the candidate. Two or three candidates may be in the development pipeline simultaneously for a single key position. This assures



competition, avoids preselection, and provides a pool of candidates who are also generally qualified for other key positions.

This raises the question of whether to develop a generalist manager or one tailored to a specific position or class of positions. Much depends on the type of organization and the needs of the organization. In an R&D organization, involving diverse technical disciplines, a focus toward development of managers who also possess skills in a particular discipline is necessary in many cases. Other organizations can develop and use generalists in many key positions interchangeably. Development strategy should be aimed toward the needs of the specific organization involved, since one pattern will not necessarily fit the requirements of all.

Supervisors should review the candidate's performance frequently and report to top management on progress at least once a year. This ensures that sufficient attention is given to the process at all levels in the organization.

Previously I emphasized the point that development and training are different. This was not intended to downplay the importance of training in the management development process: management skills can be enhanced and honed through structured training. The real problem top management faces is how to provide the most effective training within a limited budget. Obviously an increased return on the investment can be achieved through concentration on the specific needs of the candidates. There must be a dynamic process of close observation of performance and periodic updating of the development plan to fit the needs observed. The most successful management training in both industry and the government is that which is specifically focused and tailored to the organization involved. The training should have two major components: first, a structured portion aimed at management techniques, styles and skills and, second, a portion that allows direct interaction with top management. The candidates' interaction with top management in an environment away from the worksite is extremely effective and important. While it is difficult to get top management to participate on a regular basis, this is the key to continuing success. Constant selling and demonstration to top management of the importance of their participation will pay large dividends in the future development of good managers.

Above all, it is paramount that an organization's management assume the responsibility for development of the next generation of managers, that this activity be given high priority, and that it not be delegated to some functional unit where top management plays a passive role at most. The dividends for active management involvement will be great.

E. C. Kilgore recently retired as Associate Administrator for Management of the National Aeronautics and Space Administration, after a 38-year federal government career.

The Quiet Pension "Crisis"

By John W. Macy, Jr.

Twenty years ago the prime personnel program of the federal government was the *quest for quality with equality* in order to achieve the pride and liveliness articulated by President Kennedy in his first State of the Union message. The Civil Service Commission (now the Office of Personnel Management) played the leadership role in that quest, extending and expanding its recruiting effort to increase the flow of highly qualified college graduates into the competitive process which would lead to a government career.

At that time two legislative steps were taken. First, the principle of comparability in compensation for federal employees was adopted. Second, a rational means for periodic adjustment of retirement annuities based upon the upward movement of the Consumer Price Index was established by the Congress.

These two actions have, in my judgment, failed to achieve their intended purpose and have come into serious conflict with each other. Today, with the CPI indexation, retired employees are very rapidly exceeding the pay they received while performing federal work. To exacerbate this condition, recent administrations and Congresses have distorted or disregarded comparability in active pay.

In analyzing these conditions and recalling my involvement in their origination, I am forced into a mea culpa attitude and advocacy for changes in the retirement system which are clearly opposed to my own financial interests.

If private employers adopted CPI indexation for their retired employees, they would be in bankruptcy court in no time. Federal retirees cannot live in an inflated economy with protected purchasing power while others on Social Security and private pensions receive far less. In a time of relatively stable prices, the condition existing 20 years ago, the indexation was preferable to annuity adjustments determined by the political process in election years. But with double digit increases in costs, a continuation of that indexation provides an inflationary push *in itself*, raising to astronomical levels the present and future cost of retirement benefits.

I would not advocate the total elimination of periodic adjustments for retirees and survivors but I would advocate two modifications:

1. Design a periodic measurement more indicative of actual costs to retirees then the Consumer Price Index.
2. Limit the cost of living adjustment to a maximum of the annual increase given active workers and apply the adjustment to less than the total amount of the annuity.

Unfortunately, misunderstandings about the cost of retirement have been largely accepted by federal employees. I fear that officials have tended to foster those misunderstandings: It has been explained that the employee contribution to the retirement fund means that the ultimate retiree is paying for

one-half of his annuity from his salary deductions of 7 percent. But the true cost is not 14 percent. It is nearly 37 percent of the payroll at the average level cost. (In fact, if the accounting requirements applicable to the private sector under the Employee Retirement Income Security Act were used to measure cost, it would be 79 percent of payroll.) Using the 37 percent figure, the employee contribution of 7 percent is only about one-fifth of the total cost involved. In the average case, this contribution has been paid back in annuities in a relatively short time. An accurate one-half of the cost would be over 18 percent of payroll, which is clearly an excessive deduction from take-home pay of active employees in order to finance retirement benefits.

As of September 1979, these costs had generated an unfunded liability in the civil service retirement fund of $403 billion, an amount equal to roughly one-half of the current national debt. For every participant, active and retired, there are unfunded liabilities of $89,000. These figures point to a heavy burden on the taxpayer and the worker of the future if the present conditions are allowed to continue.

And what about Social Security? During my service at the Civil Service Commission I advocated again and again the integration of the civil service retirement program with Social Security in order to achieve a greater degree of comparability with workers in the private sector. It has always been my belief

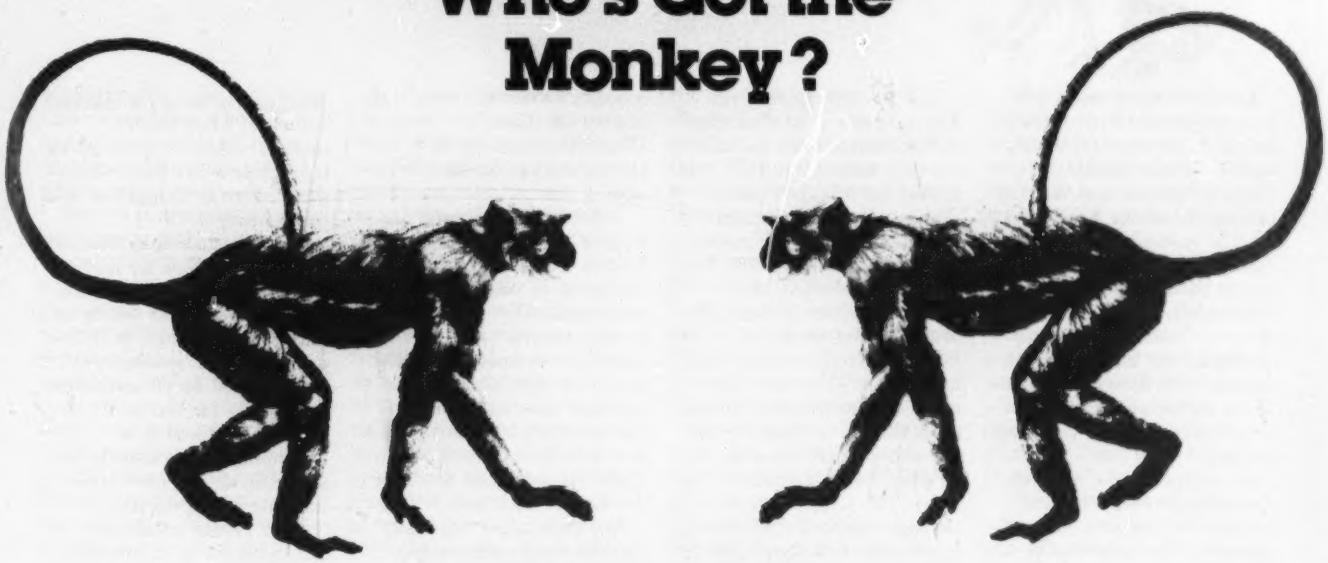
that the original Social Security Act was intended to be a retirement foundation for all American workers. But the active opposition to this interrelationship has deferred its enactment across the board.

The time has come for concrete steps toward integrating the two programs. There is no need for further studies: the shelves are full of them. Certainly there are complexities in design, complications in implementation and concern for those affected. But further delay magnifies these difficulties and amplifies the political pain. A system as inequitable, irrational and costly as the present one cannot be defended.

This need for change is in the interest of those who are working and have worked for the government as well as the citizens who support that government. I will not accept a secondary position to anyone in my advocacy of career civil servants. I deplore the chronic attacks, from whatever source, that denigrate their performance. I have spent a career attempting to demonstrate that the work "bureaucrat" is not pejorative but an affirmative label for those who serve their country. They should receive comparable compensation *and benefits* to those performing the same tasks in the private sector. But, just as lags in pay should be overcome, excessive benefits for retirees should be modified. Through the integration of the retirement system with Social Security will come a common base that assures greater equality. That step alone would be both beneficial and fair to all parties concerned.

John W. Macy, Jr., was Chairman of the U.S. Civil Service Commission, OPM's predecessor agency, from 1961 to 1969.

Management Time: Who's Got the Monkey?



By William Oncken, Jr. and Donald L. Wass

Why is it that managers are typically running out of time while their subordinates are typically running out of work? In this article, we shall explore the meaning of management time as it relates to the interaction between the manager and his boss, his own peers, and his subordinates.

Specifically, we shall deal with three different kinds of management time:

Boss-imposed time - to accomplish those activities which the boss requires and which the manager cannot disregard without direct and swift penalty.

System-imposed time - to accommodate those requests to the manager for active support from his peers. This assistance must also be provided lest there be penalties, though not always direct or swift.

Self-imposed time - to do those things which the manager originates or agrees to do himself. A certain portion of this kind of time, however, will be taken by his subordinates and is called "subordinate-imposed time." The remaining portion will be his own and is called "discretionary time." Self-imposed time is not subject to penalty since neither the boss nor the system can discipline the manager for not doing what they did not know he had intended to do in the first place.

The management of time necessitates that the manager get control over the timing and content of what he does. Since what the boss and the system impose on him are backed up by penalty, he cannot tamper with those requirements. Thus his self imposed time becomes his major area of concern. The manager's strategy is therefore to increase the "discretionary" component of his self-imposed time by minimizing or doing away with the "subordinate" component. He will then use the added increment to get better control over his boss-imposed and system-imposed activities. Most managers spend much more subordinate-imposed time than they even faintly realize. Hence we shall use a monkey-on-the-back analogy to examine how subordinate-imposed time comes into being and what the manager can do about it.

Where is the monkey?

Let us imagine that a manager is walking down the hall and that he notices one of his subordinates, Mr. A, coming up the hallway. When they are abreast of one another, Mr. A greets the manager with, "Good morning. By the way, we've got a problem. You see . . ." As Mr. A continues, the manager recognizes in this problem the same two characteristics common to all the problems his subordinates gratuitously bring to his attention. Namely, the manager knows (a) enough to get involved, but (b) not enough to make the on-the-spot decision expected of him. Eventually, the manager says, "So glad you brought this up. I'm in a rush right now. Meanwhile, let me think about it and I'll let you know." Then he and Mr. A part company.

Let us analyze what has just happened. Before the two of them met, on whose back was the "monkey"? The subordinate's. After they parted, on whose back was it? The manager's. Subordinate-imposed time begins the moment a monkey successfully executes a leap from the back of a subordinate to the back of his superior and does not end until the monkey is returned to its proper owner for care and feeding.

In accepting the monkey, the manager has voluntarily assumed a position subordinate to his subordinate. That is, he has allowed Mr. A to make him his subordinate by doing two things a subordinate is generally expected to do for his boss - the manager has accepted a responsibility from his subordinate, and the manager has promised him a progress report.

The subordinate, to make sure the manager does not miss this point, will later stick his head in the manager's office and cheerily query, "How's it coming?" (This is called "supervision.")

Or let us imagine again, in concluding a working conference with another subordinate, Mr. B, the manager's parting words are, "Fine. Send me a memo on that."

Let us analyze this one. The monkey is now on the subordinate's back because the next move is his, but it is poised for a leap. Watch that monkey. Mr. B dutifully writes the requested memo and drops it in his outbasket. Shortly thereafter, the manager plucks it from his inbasket and reads it. Whose move is it now? The manager's. If he does not make that move soon, he will get a follow-up memo from the subordinate (this is another form of supervision). The longer the manager delays, the more frustrated the subordinate will become (he'll be "spinning his wheels") and the more guilty the manager will feel (his backlog of subordinate-imposed time will be mounting).

Or suppose once again that at a meeting with a third subordinate, Mr. C, the manager agrees to provide all the necessary backing for a public relations proposal he has just asked Mr. C to develop. The manager's parting words to him are, "Just let me know how I can help."

Now let us analyze this. Here the monkey is initially on the subordinate's back. But for how long? Mr. C realizes that he cannot let the manager "know" until his proposal has the manager's approval. And from experience, he also realizes that his proposal will likely be sitting in the manager's briefcase for weeks waiting for him to eventually get to it. Who's really got the monkey? Who will be checking up on whom? Wheelspinning and bottlenecking are on their way again.

A fourth subordinate, Mr. D, has just been transferred from another part of the company in order to launch and eventually manage a newly created business venture. The manager has told him that they should get together soon to hammer out a set of objectives for his new job, and that "I will draw up an initial draft for discussion with you."

Let us analyze this one, too. The subordinate has the new job (by formal assignment) and the full reponsibility (by formal delegation), but the manager has the next move. Until he makes it, he will have the monkey and the subordinate will be immobilized.

Why does it all happen? Because in each instance the manager and the subordinate assume at the outset, wittingly or unwittingly, that the matter under consideration is a joint problem. The monkey in each case begins its career astride both their backs. All it has to do now is move the wrong leg, and - presto - the subordinate deftly disappears. The manager is thus left with another acquisition to his menagerie. Of course, monkeys can be trained not to move the wrong leg. But it is easier to prevent them from straddling backs in the first place.

Who is working for whom?

To make what follows more credible, let us suppose that these same four subordinates are so thoughtful and considerate of the manager's time that they are at pains to allow no more than three monkeys to leap from each of their backs to his in any one day. In a five-day week, the manager will have picked up 60 screaming monkeys - far too many to do anything about individually. So he spends the subordinate-imposed time juggling his "priorities."

Late Friday afternoon, the manager is in his office with the door closed for privacy in order to contemplate the situation, while his subordinates are waiting outside to get a last chance before the weekend to remind him that he will have to "fish or cut bait." Imagine what they are saying to each other about the manager as they wait: "What a bottleneck. He just can't make up his mind. How anyone ever got that high up in our company without being able to make a decision we'll never know."

Worst of all, the reason the manager cannot make any of these "next moves" is that his time is almost entirely eaten up in meeting his own boss-imposed and system-imposed requirements. To get control of these, he needs

discretionary time that is in turn denied him when he is preoccupied with all these monkeys. The manager is caught in a vicious circle.

But time is a-wasting (an understatement). The manager calls his secretary on the intercom and instructs her to tell his subordinates that he will be unavailable to see them until Monday morning. At 7:00 p.m., he drives home, intending with firm resolve to return to the office tomorrow to get caught up over the weekend. He returns bright and early the next day only to see, on the nearest green of the golf course across from his office window, a foursome. Guess who?

That does it. He now knows who is really working for whom. Moreover, he now sees that if he actually accomplishes during this weekend what he came to accomplish, his subordinates' morale will go up so sharply that they will each raise the limit on the number of monkeys they will let jump from their backs to his. In short, he now sees, with the clarity of a revelation on a mountaintop, that the more he gets caught up, the more he will fall behind.

He leaves the office with the speed of a man running away from a plague. His plan? To get caught up on something else he hasn't had time for in years: a weekend with his family. (This is one of the many varities of discretionary time.)

Sunday night he enjoys ten hours of sweet, untroubled slumber, because he has clear-cut plans for Monday. He is going to get rid of his subordinate-imposed time. In exchange, he will get an equal amount of discretionary time, part of which he will spend with his subordinates to see that they learn the difficult but rewarding managerial art called, "The Care and Feeding of Monkeys."

The manager will also have plenty of discretionary time left over for getting control of the timing and content not only of his boss-imposed time but of his system-imposed time as well. All of this may take months, but compared with the way things have been, the rewards will be enormous. His ultimate objective is to manage his management time.

Getting rid of the monkeys

The manager returns to the office Monday morning just late enough to permit his four subordinates to collect in his outer office waiting to see him about their monkeys. He calls them in, one by one. The purpose of each interview is to take a monkey, place it on the desk between them, and figure out together how the next move might conceivably be the subordinate's. For certain monkeys, this will take some time. The subordinate's next move may be so elusive that the manager may decide - just for now - merely to let the monkey sleep on the subordinate's back overnight and have him return with it at an appointed time the next morning to continue the joint quest for a more substantive move by the subordinate. (Monkeys sleep just as soundly overnight on subordinates' backs as on superiors'.)

As each subordinate leaves the office, the manager is rewarded by the sight of a monkey leaving his office on the subordinate's back. For the next 24 hours, the subordinate will not be waiting for the manager; instead, the manager will be waiting for the subordinate.

Later, as if to remind himself that there is no law against his engaging in a constructive exercise in the interim, the manager strolls by the subordinate's office, sticks his head in the door, and cheerily asks, "How's it coming?" (The time consumed in doing this is dicretionary for the manager and boss-imposed for the subordinate.)

When the subordinate (with the monkey on his back) and the manager meet at the appointed hour the next day, the manager explains the ground rules in words to this effect:

"At no time while I am helping you with this or any other problem will your problem become my problem. The instant your problem becomes mine, you will no longer have a problem. I cannot help a man who hasn't got a problem.

"When this meeting is over, the problem will leave this office exactly the way it came in - on your back, You may ask my help at any appointed time, and we will make a joint determination of what the next move will be and which of us will make it.

"In those rare instances where the next move turns out to be mine, you and I will determine it together. I will not make any move alone."

The manager follows this same line of thought with each subordinate until at about 11:00 a.m. he realizes that he has no need to shut his door. His monkeys are gone. They will return - but by appointment only. His appointment calendar will assure this.

More

Transferring the initiative

What we have been driving at in this monkey-on-the-back analogy is to transfer initiative from manager to subordinate and keep it there. We have tried to highlight a truism as obvious as it is subtle. Namely, before a manager can develop initiative in his subordinates, he must see to it that they *have* the initiative. Once he takes it back, they will no longer have it and he can kiss his discretionary time good-bye. It will all revert to subordinate-imposed time.

Nor can both manager and subordinate effectively have the same initiative at the same time. The opener, "Boss, we've got a problem," implies this duality and represents, as noted earlier, a monkey astride two backs, which is a very bad way to start a monkey on its career. Let us, therefore, take a few moments to examine what we prefer to call "The Anatomy of Managerial Initiative."

There are five degrees of initiative that the manager can exercise in relation to the boss and to the system: (1) wait until told (lowest initiative); (2) ask what to do; (3) recommend, then take resulting action; (4) act, but advise at once; and (5) act on own, then routinely report (highest initiative).

Clearly, the manager should be professional enough not to indulge himself in initiatives 1 and 2 in relation either to the boss or to the system. A manager who uses initiative 1 has no control over either the timing or content of his boss-imposed or system-imposed time. He thereby forfeits any right to complain about what he is told to do or when he is told to do it. The manager who uses initiative 2 has control over timing but not over the content. Initiatives 3, 4, and 5 leave the manager in control of both, with the greatest control being at level 5.

The manager's job, in relation to his subordinates' initiatives, is twofold; first, to outlaw the use of initiatives 1 and 2, thus giving his subordinates no choice but to learn and master "Completed Staff Work"; then, to see that for each problem leaving his office there is an agreed-upon time and place of the next manager-subordinate conference. The latter should be duly noted on the manager's appointment calendar.

Care & Feeding of Monkeys

In order to further clarify our analogy between the monkey-on-the-back and the well known processes of assigning and controlling, we shall refer briefly to the manager's appointment schedule, which calls for five hard and fast rules governing the "Care and Feeding of Monkeys" (violations of these rules will cost discretionary time):

Rule 1
Monkeys should be fed or shot. Otherwise, they will starve to death and the manager will waste valuable time on postmortems or attempted resurrections.

Rule 2
The monkey population should be kept below the maximum number the manager has time to feed. His subordinates will find time to work as many monkeys as he finds time to feed, but no more. It shouldn't take more than 5 to 15 minutes to feed a properly prepared monkey.

Rule 3
Monkeys should be fed by appointment only. The manager should not have to be hunting down starving monkeys and feeding them on a catch-as-catch-can basis.

Rule 4
Monkeys should be fed face to face or by telephone, but never by mail. (If by mail, the next move will be the manager's—remember?) Documentation may add to the feeding process, but it cannot take the place of feeding.

Rule 5
Every monkey should have an assigned "next feeding time" and "degree of initiative." These may be revised at any time by mutual consent, but never allowed to become vague or indefinite. Otherwise, the monkey will either starve to death or wind up on the manager's back.

Concluding Note

"Get control over the timing of what you do" is appropriate advice for managing management time. The first order of business is for the manager to enlarge his discretionary time by eliminating subordinate imposed time. The second is for him to use a portion of his new-found discretionary time to see to it that each of his subordinates possesses the initiative without which he cannot exercise initiative, and then to see to it that this initiative is in fact taken. The third is for him to use another portion of his increased discretionary time to get and keep control of the timing and content of both boss-imposed and system-imposed time.

The result of all this is that the manager will increase his leverage, which will in turn enable him to multiply, without theoretical limit, the value of each hour that he spends in managing management time.

William Oncken is chairman of the board of the William Oncken Company of Texas, Inc., Donald L. Wass is president of the company.

Copyright 1974 by the President and Fellows of Harvard College; all rights reserved.

Reprinted by permission of the Harvard Business Review

Manager's Reading Digest

Managing or Leading?

There is a difference between managing and leading. In fact, "the more you choose to manage, the less you choose to lead." If you are trying to do both, you are probably causing yourself unnecessary headaches and confusion.

A leader is the person in a group who "most clearly epitomizes the characteristics of the individual member," according to Roger J. Plachy, a management consultant specializing in interpersonal behavior and development of communication skills. A manager is "the person who decides what shall be done." A leader represents the needs and goals of individuals, while a manager represents the needs and goals of the organization.

Plachy distinguishes between the concepts with an example: "If A's management style is not compatible with the expectations of B, and if B is antagonized and does the job only because of A's position of power, then we can say A has been successful as a manager, but not as a leader."

Contending that modern management too often dictates that the manager be accountable for both organizational accomplishment and employee satisfaction, a condition not necessarily within the realm of possibility, Plachy points out that such accountability can cause managers increased stress. Leadership can be nurtured through establishing rapport with workers, although managers who lose favor with followers in the process of achieving organizational goals shouldn't worry: there are times when organizational needs take precedence.

Instances where individual needs and organizational goals are identical are, at best, "coincidences," says Plachy: People are motivated differently, human discord is a fact of life, and the search for the perfect combination of charismatic leadership and effective management is an illusion.

"The solution to the puzzle of managing effectively," he says, "is not to force managers to be leaders when management is required, but to allow the coincidence of managership and leadership to occur naturally through honest consideration of both perspectives." *(Management Review,* September 1981) AG

Changing Compensation

A personnel management trend rapidly gaining ground in the private sector is to offer employees more attractive compensation packages instead of salary increases.

With inflation rates that keep corporate profits lower and the changing expectations of today's work force (who value job fulfillment over job security), employees and management are looking for creative and flexible benefits to keep employee motivation high and company outlays lower. Gaining in popularity and usage is the "cafeteria" plan, where employees can pick from a variety of benefits offered. Generally, the employer establishes or converts to a "core" of basic benefits every employee needs, such as limited health and life insurance. The difference in costs between the previous plan and the core benefits is given to the employee in the form of dollars or flexible credits. Then, additional coverage is selected by employees based on their individual needs: more medical, life or disability insurance, retirement plans, savings plans or extra vacation days. The problems with flexible benefits plans are that they are difficult and time-consuming to set up, require extensive and sophisticated computer systems and are costly to administer initially. Thorough employee education on available benefits is also necessary. Advocates of flexible plans maintain that these problems are short-term, can be overcome and do not outweigh the benefits.

Many personnelists believe that broadening the range of employee benefits will aid in recruiting and retaining valuable employees. With more and more two-career families, flexible benefits allow the employees, rather than the company, to decide what they need from a job to keep them satisfied and most productive.

Some of the more unique benefits being offered today are: scholarships for employees' children, flexible hours, job-sharing programs, stock ownership and profit-sharing plans, supplemental medical plans that include vision and hearing benefits, dental plans, problem counseling, fitness centers, inexpensive lunch facilities (a few even have free lunches), group legal plans and day care centers. For executives, some of the new "perks" or benefits being offered (in addition to the old standbys of company cars, bonuses and country club memberships), are: salary guarantees, time off, relocation benefits and, increasingly popular, financial counseling.

The new tax laws will affect compensation and benefits planning, although to what extent is not known, since most laws have just gone into effect. Some insiders believe that benefits will be strengthened and that the individual will be able to set aside greater amounts for retirement on a favorable tax basis. With cutbacks in salary increases forecast and the needs of the workforce changing, the concept of total compensation will have a major impact on personnel management in the 1980's. *(Personnel Journal,* December, 1981) EAS

Studying Leadership

A Japanese corporation, the Matsushita Electric Industrial Company, Ltd., has donated one million dollars to establish a chair for the study and teaching of effective leadership at the Harvard Business School. *(The Washington Post,* November 12, 1981)

Advantages of Leave Without Pay

Before the advent of paid vacations, all time-off was time without pay. Then came vacations and sick leave and other varieties of paid time off the job. Now, for the 80's labor force, "unpaid time-off is coming full circle," according to J. H. Foegen, in his article, "Time-off Without Pay: Value Can Exceed Cost."

Foegen cites several advantages to unpaid leave, including: 1) decreased liability for employees who want to get out of the higher tax brackets; 2) extra time-off for two-career families for whom additional time to do chores or to spend together would be welcome; 3) stress relief for employees who can unwind and engage in leisure activities; and 4) spreading the work, especially in a recession, which may help save jobs of those who would otherwise be laid off.

Employers could use unpaid time-off as a reward for those who want it. The flexibility it provides to employees can be an effective motivator toward improved productivity. Since most of today's workers are in service industries, their schedules could be compressed or adjusted accordingly.

Obviously, leave without pay is less expensive to the employer than leave with pay, even though the cost of benefits continues. Foegen believes attempts at initiating unpaid leave policies, guaranteeing the employee his job upon return from nonpay status, have merit, and that most employers would be pleasantly surprised at the resulting rise in productivity of workers who request it. *(Human Resource Management,* Summer 1981.) AG

Blaming Management

Workers can no longer be blamed for the productivity decline in the U.S. So says Dr. Frederick Herzberg, productivity expert, behavioral scientist, and author of over 170 books and articles on clinical and industrial psychology. Instead, more recently, it is managers and academics who should shoulder the blame, according to Herzberg.

Tracing the work pattern in the U.S. since before the 1900's, Herzberg identifies three phases. The first phase generated production oriented managers who also were future oriented and measured by the production of concrete products. The second phase followed World War II and generated a "new breed of cat" who was concerned with careers and organizational skills rather than production. The third phase, referred to by Herzberg as the internal "immigration," came with the influx of blacks, Hispanics, Indians off the reservation, and "out of the kitchen reservation, women."

Then came the MBA's, emphasizing marketing and organizational behavior. Herzberg partially blames academics for the productivity slip because they validated the MBA's new orientation. He expresses his belief that the MBA's of recent years are "different from the organization man" and faults them for having short-term goals and careers. Calling them "the best of the dumbest," Herzberg believes their short-sightedness would make it difficult for them to help turn the economy around. *(San Antonio Texas Express,* October 28, 1981.) A.G.

"More Dedication to the Job"

The 1980's have brought a much more receptive attitude towards our nation's older workers, as opposed to the viewpoint of a decade ago when employers felt workers peaked at 50. Older employees have a greater dedication to their jobs and, in fact, perform much better than the younger ones, according to a recent William M. Mercer Study. Seventy-six percent of the 552 chief executive officers who responded said they would be willing to hire a person over the age of 50.

However, two new rulings appear to be at cross purposes. An IRS ruling recently prohibited increases in some pension benefits when individuals work beyond normal retirement age. Yet, the Labor Department says certain retirees can work 40 hours a month without losing any pension benefits, beginning in January. *(The Wall Street Journal,* December 22, 1981.) LIA

How Managers Rate

According to a recent survey by the Opinion Research Corporation, "mid-level managers in the private sector: 1) are experiencing their lowest degree of job satisfaction ever; 2) feel they have less job security than ever before; 3) do not think promotions are handled fairly and are dissatisfied with advancement opportunities; 4) rate their companies low in responding to management's problems; 5) are critical of top management's abilities; and 6) have decreasingly favorable attitudes toward their work.

The survey compiled the attitudes of managers, as well as clerical and hourly employees, in 16 different areas, including employee relations, pay and benefits, and job satisfaction. Another finding indicates that there is little relationship between the amount of education an employee has and his at-

titude toward his work. Clerical and hourly employees agree with mid-managers in areas of job dissatisfaction, unfair promotions and criticism of top management.

For managers, there is an apparent relationship between age and job satisfaction: the younger the manager, the less satisfied. In other groups, however, the youngest and the oldest are most satisfied. *(National Report for Training and Development,* October 9, 1981.) AG

"Dear Sexual Harasser"

Labor economist Mary P. Rowe has some practical pointers for dealing with an adversary in a sexual harassment situation. Among several suggestions in "Dealing with Sexual Harassment," the active approach is foremost. Victims should deal with the problem themselves in a rational manner. Too many people keep their anger pent up and only succeed in making themselves depressed or sick. Releasing that anger is important. One way to accomplish that release is to take constructive measures to let the offender know what you think about unwelcome behavior.

Constructive action can give aggressors who do not understand what they are doing a fair chance to "shape up"; can give knowing culprits a chance to make amends; can provide evidence to show that one has taken steps to make the aggressor stop; and, most important, can encourage those who tend to exaggerate to be more responsible in reporting aggressive behavior.

Ms. Rowe advocates that a person being harassed write a letter to the aggressor. (It should be polite and low-key and be written very carefully.)

There should be three parts to the letter: 1) A precise, detailed statement of all facts and dates relevant to the alleged harassment. 2) Describe your feelings (dismay, distrust, revulsion, misery, embarrassment, anger and so on) and any resultant damage. Any perceived or actual costs and damages, such as a job transfer, changing career goals, dropping out of a training course, taking excessive time off, and a decline in the quality of work should be mentioned. 3) Finally, writers should include a short statement of what they would like to happen next. Most only wish the harassment to end. However, the writer who wishes some sort of remedy or recompense should suggest that the offender take some specific action such as withdrawing of a prejudiced evaluation or providing an answer in writing as to his future action(s).

The letter should be delivered in person to assure its receipt. A writer might ask a policeman or plainclothes officer, security guard or other witness to come along on the delivery. *Always* keep a copy.

In Ms. Rowe's experience, the recipient usually replies to the letter. Sometimes there is an apology, an astounded opening of discussion, or a denial. More often than not, the offensive behavior will cease.

The letter is useful whether it achieves its intended goal or not. If the complainant wants to appeal to top level management later on, the letter is invaluable evidence to show what steps were taken. At any rate, attempting to deal with an aggressor in a direct and peaceable manner has a positive effect on the victim. *(The Harvard Business Review* May/June 1981) LIA

New Pay Ceilings for SES

The 1979 executive pay cap of $50,112.50 for federal senior executives has been raised to $58,500, reflecting the increase described in the President's Executive Order 12330 of October 15, 1981. Director Donald J. Devine, of the Office of Personnel Management, feels that this decision "keeps faith with our senior executives . . ." many of whom had been concerned that the Executive Order might have been modified.

For General Schedule employees the pay cap is $57,500; for SES and some presidential appointees, it is $58,500.

The new scheduled and payable rates follow:

	Scheduled Rates	Payable Rates
level I	$85,200	$69,630
level II	74,300	60,662.50
level III	67,800	59,500
level IV	64,600	58,500
level V	61,300	57,500
ES-6	$64,600	$58,500
ES-5	62,950	58,500
ES-4	61,300	58,500
ES-3	59,119	58,500
ES-2	56,936	56,936
ES-1	54,755	54,755

LIA

Furloughs

Furloughs, when they have been used throughout the history of the civil service, have generally been necessary due to acts of God (floods or cyclones, for example) or breakdowns in equipment, power outages or other sudden emergencies that temporarily disrupt government work. However, employees can also be placed on furlough due to a lack of work or funds, including lapsed appropriations. It is the lack of funds which is now the case. Rule books and regulations are being dusted off and examined throughout government with an eye to the use of furlough to meet budget cuts.

A furlough involves placing an employee temporarily in a *nonduty, nonpay* status for nondisciplinary reasons. Agencies have the authority to furlough employees under the circumstances described above but they must do so in accordance with established procedures under applicable laws.

Two Types of Furlough

There are two types of furlough: short term (30 calendar days or less, or 22 workdays or less) and RIF (reduction-in-force) furlough. Although this article is primarily about short furloughs, a brief explanation of RIF furlough follows.

A furlough of more than 30 consecutive calendar days, or more than 22 discontinuous workdays, is considered to be a type of RIF action. When a furlough of this length takes place, RIF regulations apply. Employees are furloughed in order of their retention standing. Retention standing also plays a part when employees are recalled: those highest in retention standing will be recalled first. Although this type of furlough is a RIF action, it is still a furlough, since employees will be returning to duty: no severance pay can be collected.

Short Furloughs Under 5 USC 752

Short furloughs are a form of adverse action, administered under 5 Code of Federal Regulations Part 752; employees covered under 5 USC 752 (see below) must be furloughed using procedures described in Section 752, Subpart C. In a furlough situation, you are entitled to certain procedural rights under Part 752 if:

- You are in the competitive service, but not serving a probationary period under an initial appointment. (This includes part-time workers.)
- You have completed one year of current continuous employment other than a temporary appointment limited to one year or less. (This includes appointment to the Government Printing Office or the Administrative office of the United States Courts.)
- You are a preference eligible in an executive agency in the excepted service, in the Postal Service, or the Postal Rate Commission, who has completed one year of current service in the same or similar position. (A preference eligible is a person who is eligible for veterans preference in federal employment.)
- You are an employee with competitive status who occupies a Schedule B position.

If you are covered under Part 752, you can appeal a furlough to the Merit Systems Protection Board (because the furlough is considered an adverse action). Employees who are not covered under Part 752, including those serving in a probationary status, do not have adverse action or procedural rights. However, an agency may grant procedural rights and grievance rights to those affected.

In addition to those in probationary status, the following employees are *not* covered under Part 752: the Senior Executive Service*, temporaries, excepted service employees who are not preference eligibles and preference eligibles in the excepted service who have not completed the one year service requirement.

Other Recourse

All employees who are covered by a collective bargaining agreement may instead elect to file a grievance under the negotiated grievance procedure if applicable.

All employees have the right to file a discrimination complaint if they have been discriminated against on the basis of race, age, sex, color, religion, national origin or handicap.

Employees who believe that a furlough action is a prohibited personnel practice in violation of law, rule, or regulation can file a complaint with the Office of the Special Counsel, 1120 Vermont Avenue, N.W., Washington, D.C. 20419.

How Furlough Days are Scheduled

A short furlough covers a period that does not exceed 30 consecutive calendar days or 22 discontinuous work days. An agency could schedule furloughs for periods of one week on a staggered basis, with employees taking alternative weeks. Or furloughs could be scheduled on selected days over a period of weeks, with the total furlough days not exceeding 22 workdays. Your agency may reduce the number of days of furlough with proper notice to employees if it finds that fewer days are necessary due to changed circumstances. If the agency *increases* the number of days, a new notice is required.

Notification of Furlough

If you are selected for short furlough, you must be given 30 days' advance written notice. (Your agency labor management agreements may contain requirements in addition to this one.) There is an exception, however: in the case of "unforeseeable circumstances," the 30 day requirement can be waived and shorter notice given.

There are no provisions for selecting employees to be placed on short furlough. There is the requirement, however, that when some but not all in a given competitive level are furloughed, the furlough notice must state the basis for selecting a particular employee as well as the reasons for the furlough. If all in a competitive level are furloughed, it is best that the agency let them know why the particular level was selected. (This is not required, however.)

When You are Recalled

Your agency will not send you a recall notice except in the case of recall prior to the end of the furlough. The dates of the furlough are included on the actual notice. If

you do not return to your job on the day after the furlough has ended, you may be considered absent without leave (AWOL). If you wish not to return to work as soon as the furlough has ended, you must request leave and *have it approved.*

Labor-Management Relations
Agency management and labor organizations should cooperate to ensure constant and open communications as soon as there is any likelihood of a furlough. Management is required to let unions bargain on the *procedures to be used* in a furlough as well as on appropriate arrangements to be made for employees adversely affected by agency decisions. If an agency has one or more unions that have been granted national consultation rights, the agency should follow its established procedures for informing the unions of any newly developed agencywide plan and give them time to comment.

Taking Other Jobs
If you are placed on furlough you may obtain an interim job in the private sector or in another federal agency, as long as it does not pose a conflict of interest.

Impact on Benefits

Annual and Sick Leave
If you are placed on furlough for an entire pay period (i.e. 80 hours) you do not accrue leave. If your furlough is for less than a pay period, your leave accrual is not affected; you earn at the same rate. If your furlough lasts an entire pay period, extending into the next pay period or beginning in a previous one, you earn leave on a prorated basis for that previous or subsequent pay period. However, when cumulative time in a nonpay status equals 80 hours, the number of hours of leave that are normally earned in a pay period (4, 6, or 8 hours of annual, 4 of sick) are deducted from the employee's leave balance. Such deductions are made each time the employee accumulates 80 hours in nonpay status.

Part time employees continue to earn leave based on the number of hours they work. A total of six months of nonpay status in any calendar year is creditable service for determining leave-earning categories.

Leave should not be scheduled during periods of anticipated lapsed appropriations or continuous furlough. If you find you are in a "use or lose" situation, it is important that you schedule leave in writing for periods when you otherwise would be in a duty status to ensure that the leave may be considered for restoration in the event it must be cancelled and therefore forfeited.

Retirement
During a consecutive short term furlough, retirement coverage continues without cost to you or your agency. During a discontinuous short furlough, your coverage continues but contributions made by you and your agency are adjusted each pay period to be in proportion to your earned salary.

During a RIF furlough, you can receive retirement credit for up to six months of service in the aggregate in any calendar year. The six months is a maximum amount, even though your furlough extends beyond that time.

Life Insurance
Enrollment continues without cost to you for up to 12 months of nonpay status. On a discontinuous furlough, any available salary is applied to withholdings and the agency contribution is required. (The General Accounting Office instructions for determining the precedence of withholdings to which salary must be applied are explained in FPM Bulletin 550-38.)

Health Benefits
If you are placed on a continuous RIF furlough, your health benefits terminate at the end of the pay period in which you are furloughed. After that date, there is a 31 day extension of coverage, during which you may convert to nongroup coverage.

During a discontinuous furlough or a furlough of 30 days or less, enrollment continues without cost for most employees. If your salary during a pay period covers the full health benefits withholding, the full withholding is taken even though you are on nonpay status during part of the pay period.

OPM issued proposed regulations in the *Federal Register* of April 13, 1982, to require payment of health benefit premiums for any pay period when an employee does not pay the premium through salary withholding. A period of 30 days is provided for public comment on this proposal before the regulations may take effect.

Unemployment Insurance Compensation
Unemployment insurance compensation benefits vary from state to state, as to both the amount paid and the period over which benefits are paid. There is also a difference between consecutive and discontinuous furlough when it comes to collecting compensation. For example, a consecutive five day furlough may meet the requirements to qualify for unemployment benefits in some states, but a discontinuous furlough of one day a week for five weeks may not be sufficient for you to qualify for benefits.

Summing Up
It should be noted that furlough should be used only to solve actual problems, not those that might occur. You may be placed on furlough only if your agency intends to call you back to the same position within one year. A furlough is a temporary measure, designed to take care of short term situations.

Lastly, this summary of provisions related to furlough is necessarily broad. For answers to your specific questions, contact your personnel office.

**Regulations covering the furlough of career SES members appear in Part 359, Code of Federal Regulations, as published in the January 15, 1982 Federal Register. Procedures, benefits, and appeal rights are generally similar to those for members of the career civil service. For answers to specific questions, contact your personnel office. (Since non-career and limited members of the Senior Executive Service serve at the pleasure of the head of the agency, they are not subject to the regulations and can be furloughed at any time without appeal rights.)*

FEHB Rates and Benefits

The U.S. Court of Appeals for the District of Columbia Circuit has unanimously confirmed the authority of OPM to hold rates and benefits of the Federal Employee Health Benefits (FHEB) program in line with the President's budget.

On March 30, 1981, OPM sent "call letters" reminding all health carriers of their obligation to submit benefit proposals by April 30, 1981. The deadline for submission of premium rate proposals was July 31, 1981. In the following months 120 plans submitted their proposals.

In August, 1981, OPM analyzed the submitted plans and concluded that the proposals would exceed the FEHB budget for FY 1982 by $4.4 million, and that costs to enrollees would climb by an amount in excess of $2 billion.

On August 21, 1981, OPM directed all carriers (other than health maintenance organizations) to reduce benefits and corresponding costs to meet the budget figure and submit new proposals by September 25, 1981.

After the new proposals were submitted, OPM concluded that further health benefits reductions had to be ordered. On October 21, 1981, OPM advised all health carriers that an additional 6.5% benefit reduction was necessary and that the deadline for proposals was 48 hours, i.e. October 23, 1981. The National Association of Federal Employees, the American Federation of Government Employees, and others brought suit for injunctive relief.

The District Court issued a preliminary injunction on October 30, 1981, ordering OPM to enter into new health benefits contracts containing the level of benefits allegedly agreed upon by the parties as of August 20, 1981. The trial court found that there was no evidence that OPM had considered the impact that its benefits reduction would have on the health benefits available to Government employees. The court discerned in the legislative history of the Federal Employees Health Benefits Act, 5 U.S.C. § 8901 *et seq.*, a duty on the part of OPM to consider such a factor. The trial court further held that OPM was without authority to remain within the President's budget for the FEHB program, and that cost to the government alone could not be taken into account in negotiating FEHB contract benefit levels.

On November 4, 1981, the District Court, apparently having found some evidence that OPM had considered the impact its first benefit reduction would have on the health benefits available to Government employees, modified its initial order. OPM was now commanded to enter into contracts containing the level of benefits allegedly agreed upon as of October 20, the day prior to the second OPM order for benefits reductions.

The Court of Appeals, *per curiam*, reversed the District Court, finding substantial evidence in the record that OPM had considered interests of employees as well as costs to the government. The Court concluded that budgetary considerations were proper grounds for the October 21, 1981, 6.5% reductions, and that OPM had considered the interests of employees in ordering the benefit reduction.

The Court of Appeals observed: "Part of OPM's broad discretionary authority to approve health plan benefits is the power to order reductions in benefits." It also declared: "The entire legislative scheme is based upon OPM considering cost to the government in contracting for health benefit plans.**** Because OPM has an obligation to consider cost to the government in approving health benefit plans, it acted in a fiscally responsible manner by deciding it must adhere to the President's budgetary guideline which was subsequently approved by Congress.**** We accept the OPM's interpretation of its authority under the applicable statutes. The siren song that budget limitations can be intentionally violated harkens back to a time when the primary desire was to keep taxes low; much more is involved now with the nation plagued by rampant inflation that silently steals money from our citizens, and our economy is harvesting the results of such loose money programs with production and employment reduced to dangerous levels."

Thus the court found that OPM acted within its broad grant of authority and in a reasonable manner. The case is especially significant in that it affirms agency action taken to reduce and reverse the growth of government spending and to combat the rapid escalation of health care costs.

National Federation of Federal Employees v. Devine, U.S.C.A., D.C. Cir., No. 81-2184 (December 21, 1981).

Health Benefits Open Season

The U.S. Court of Appeals for the District of Columbia Circuit has unanimously upheld the procedural and substantive validity of Director Devine's postponement last fall of open season for the 1982 Federal Employees Health Benefits (FEHB) program.

Regulations in force in 1981 required OPM to hold an "open season" annually in November and December to permit Federal employees to transfer freely from one FEHB plan to another. On November 6, 1981, OPM announced that unforeseen emergency circumstances required postponement of the open season scheduled to begin on November 9. The emergency circumstances included last-minute rate and benefit reductions and litigation which resulted from them. That litigation, as reported above, was eventually resolved favorably to OPM.

Plaintiffs, including the National Federation of Federal Employees, the National Association of Government Employees, the National Treasury Employees Union, and the Group Health Association of America, Inc., brought suit. The U.S. District Court for the District of Columbia granted a preliminary injunction on November 18, 1981, asserting that OPM's actions had been illegal and ordering an open season to begin by December 7. The Court of Appeals, on the eve of commencement of the open season ordered by the District Court, stayed the lower court's injunction. Consideration on appeal followed.

The Court of Appeals examined the facts surrounding OPM's postponement of the open season. On November 6, OPM issued FPM Bulletin No. 890-77, which postponed open season "to a time which will be announced hereafter, or to the applicable period during 1982 as determined pursuant to 5 CFR § 890.301(d), whichever is earlier." The bulletin stated several reasons for the postponement. Accurate information regarding rates, benefits, and other terms of the 1982 health insurance plans was not available for distribution to employees because contract negotiations had not been completed until October 31, because substantial changes had been made in rates and benefits, and because pending lawsuits created uncertainty with respect to significant aspects of the 1982 program. The FPM bulletin also stated that changes in benefit packages for 1982 were so substantial that "the stability of the FEHB program, the financial integrity of many of the plans, and the welfare of employees and anuitants would be threatened if, as a result of an immediate open season, the actuarial and economic data bases underlying the FEHB program were significantly altered."

On November 12, 1981, OPM published a parallel interim regulation in the *Federal Register*, immediately effective, amending 5 CFR § 890.301(d) to permit the OPM Director to cancel or reschedule the annual open season by issuing an FPM bulletin. OPM briefly recapitulated the reasons for the action, and invited public comments on scheduling of open seasons in future years.

The Court of Appeals then tested OPM's actions against the notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. § 553(c), and the "good cause" exception to such procedures that is found in 5 U.S.C. § 553(b)(B). Despite the narrowness of the "good cause" exception, the Court of Appeals concluded that OPM had "good cause" for its temporary postponement of the November-December, 1981, open season: "If open season had not been postponed on November 6, the agency would have been compelled to take action which was not only impracticable but also potentially harmful.**** In addition, OPM found that immediate holding of an open season might threaten the financial stability of the federal employee health benefit program.**** The situation facing OPM on November 6, 1981, was an 'emergency' within the scope of the 'good cause' exception. The agency's action was required by events and circumstances beyond its control, which were not foreseen in time to comply with notice and comment procedures.**** The agency's emergency decision was necessary to avoid action that would have been futile because of the unavailability of necessary materials—in this case, informational brochures about the 1982 health plans.... If open season had been held as scheduled, the resulting actuarial disarray might have posed a serious threat to the financial stability of the benefit program."

Turning to the plaintiffs' challenges to the substantive validity of OPM's open season postponement, the Court of Appeals found that "OPM's action was neither arbitrary, capricious, nor an abuse of discretion. Assessing the situation on November 6, OPM could not with any assurance have predicted when the courts would resolve the pending litigation regarding its benefit reductions, permitting it to establish the final terms of the 1982 plans. Nor could the agency have known, when it decided to postpone open season, how much time would be required to resolve the actuarial problems that threaten to trigger withdrawal of its largest health plan carrier. In these circumstances, OPM was not required on November 6 to set a definite future date for holding open season." The court also held that "OPM did not breach any contract by postponing the 1981 open season."

This decision, announced *per curiam*, represents a significant judicial upholding of the authority confided by Congress to OPM to manage the FEHB program efficiently, competitively, and with due regard both to the needs of beneficiaries and the Government's budget.

National Federation of Federal Employees v. *Devine*, U.S.C.A., D.C. Cir., No. 81-2224 (February 19, 1982).

After/Words

"Clerical Quagmire"

Long live Jean Johnson (**Management**, Fall 1981, pp 32-33)!

I would add only this: The "created idea" may as well remain in the mind of its creator if that professional cannot communicate it completely. Errors in spelling, syntax or punctuation lead to more than delay in reading; they very often lead to the readers' understanding something other than what is intended. Words have fairly precise meanings. Punctuation and the order of words in a sentence convey both literal meaning and emphasis. These are presumed to be important to the creator—why else would he or she bother to write down the idea? Then, how can the professional walk away from the idea, leaving only a translation to be communicated?

Ben Neufeld
Vice President
AFGE Local 41
Washington, D.C.

Time Card Frolics?

Thought you may be interested in this, as it seems to fit into some of the proposals brought out in your magazine.

Ripoff Roulette

Have you been playing? or are you even aware of the game? You may be surprised to know that some of our people have the equivalent of a master's degree in the program. To find out if you are really a player, you can take the test below and score yourself or score a coworker.

Activity	Score
Come late to work	5 points
Leave early	5 points
Come late; leave early	15 points
Stop by work—go to cafeteria for breakfast	10 points
Stop by work—go to club for coffee	10 points
Stop by work—take friend to breakfast	15 points
Stop by work—take friend for coffee	15 points
Bring newspaper to work	5 points
Bring novel to work	10 points
Bring crossword puzzle to work	10 points
Read newspaper/book during working hours	15 points
Discuss newspaper items with coworker over 10 minutes	10 points
Discuss same items with small group	15 points
Complete crossword puzzle during duty hours	15 points
Cover last evening's TV, bowling, fishing, etc., with coworker during duty hours	15 points
Same as above with group of 3 or better	25 points
Leave for early lunch to "beat crowd"	5 points
Stay after lunch hour to "beat crowd"	5 points
Leave early; stay late for lunch	10 points
1 hour lunch; 1 hour gym	10 points
Leave work early to "beat traffic"	5 points
Leave work early; "It's Friday"	5 points
Rely on "Flexitime" as excuse for bad work habits	20 points

If you have taken the test during working hours, give yourself an extra 10 bonus points. If you score over 25 points, your supervisor should be concerned. If you score over 50 points, you don't have a job, but a position. If you score over 75 points, you are effectively unemployed and should be concerned about the arrival of your replacement.

In all seriousness, some of our people are taking advantage of their coworkers and supervisors, as we still operate on a day's work for a day's pay. Those of you who recognize yourself as a player in more than one of the situations discussed may be guilty of time card fraud. For those of you who get to work on time, work a full day, and think not of ripoff roulette—thanks for the effort!

Jim Daley
Gunter AFB, AL

Merit Pay Alternative

I have discussed the Federal Government's merit pay system with hundreds of managers and management officials over the past two years. Until October of this year, virtually every one of them was doubtful about the system without being able to specifically state why. Since the first full-scale payout in October, they have been unanimous in criticizing the system regardless of their personal gain or loss. When asked why they did not approve of merit pay, their answers were almost always vague.

I believe managers are finding merit pay perplexing because some very fundamental management concepts are being violated. However, because the system is billed as "merit pay," the problems are not apparent. In our capitalistic system, what could be wrong with a pay system based on merit? In addition, as vague as they are about merit pay in general, they generally approve of the annual expectation setting and evaluation process.

Competition for merit pay is primarily competition for basic pay entitlements of cost-of-living adjustments and longevity within-grade increases (high quality step increases are not included for reasons discussed later). I have labeled COLA and within grades as "entitlements" because as long as non-managers who perform satisfactorily continue to receive these increases, they will be thought of by managers as entitlements.

With this in mind, I believe merit pay is not being accepted because:

- The system is using a long-term reward method, i.e. basic pay entitlements, to encourage short-term accomplishments.
- Managers will not accept a system that affects their basic pay for the remainder of their careers based on only one year's performance.
- By using basic pay entitlements, merit pay places excessive importance on short-term accomplishments. Many managers find that short-term accomplishments often conflict with long-term quality objectives. This is the same realization American industry is facing in light of Japan's successes. American industry emphasizes annual profit while Japan has emphasized long-term quality decisions. Japan's recent accomplishments have caused much rethinking among American industries.
- Because managers' basic pay entitlements are on the line, the system is perceived as punitive. As one manager put it, "I know I can perform, but the implied threat is still demeaning."
- Rewards for distinguished or outstanding performance are so small that managers are of-

fended rather than motivated. For example, a GM-14 at Rock Island Arsenal, Illinois, was rated "highly successful" and received a merit pay increase of $597. He was due a pre-merit within-grade of $1,323 in January. Having been rated highly successful, he would have also been eligible for a high quality step increase under the pre-merit pay system. Had this individual been rated under merit pay as "exceptional," his merit pay increase would have been ten cents an hour higher. A rating of "fully successful" would have resulted in nine cents an hour less. Motivated or offended? It's not hard to determine which he felt.

In addition to the fundamental problems already discussed, implementation guidelines have been issued in an attempt to lessen the merit pay's impact. These have caused such additional problems as:

- A system of rates within pay ranges was developed and used by many agencies to partially restore some of the basic entitlements. This system in effect recognizes each manager's contribution from the pre-merit pay system. The results are, however, that all managers share in what entitlements would have been paid to specific managers with minor variations due to merit. This half longevity, half merit system turns out to be the worst of both.
- The pool system of making payouts works against the manager who is due a yearly within grade. Most new managers are concentrated in the first three pay steps, making them the most affected by merit pay. This situation creates a negative incentive for employees to enter management, especially when they could be giving up substantial pay raises.
- Refunding assumptions used by OPM (at GAO's insistence) perpetuate the historical problem of too few high quality step increases for managers. Currently, .1 percent is being used to fund such increases for merit pay. This means an increase of less than $2,000 was added to a pool of fifty managers having an average salary of $33,000 each. Incentives for greater achievement? Not really.

Do these problems have to exist in a merit pay system? I think not. Why not keep it simple by incorporating the best of both systems—longevity and merit? The following five-point plan, implemented October 1, 1982, would accomplish this:

1. Return to the general scale as the basic pay determining method. All managers who lost money in FY 82 due to the merit pay system will be paid a catch-up raise. Those who benefited will keep their gains.
2. All fully successful and above performers will receive full comparability and within-grade increases due to longevity.
3. Performers rated marginally successful will receive one-half comparability and no within-grade increases.
4. Unacceptable performers will receive no pay increases.
5. Merit pay awards will be determined on the following basis:

Rating	Highly Successful	Exceptional
1	1%	2%
2	2%	4%
3	3%	6%
4	4%	8%
5	5%	10%

The award system above would recognize annual achievements by making one-time cash awards. For example, assume our GM-14 manager from Rock Island Arsenal exceeded most of his objectives while earning an overall rating of "highly successful": He would receive the 4.8% COLA paid to all employees, a $1,323 within-grade in January, and a merit pay cash award. His manager determined that on a scale of 1 to 5 this manager performed at the 4 level. Therefore, his merit pay cash award would be 4% of his base salary ($1,640, 4% x $41,012). Under this system, his agency has recognized the manager's long-term accomplishments through base salary increases, retained an incentive system for him to remain with the federal service, and provided a short-term reward system.

I am hopeful that this or some other workable alternative will soon replace the current merit pay mistake. The very foundation of the federal government's management system is being undermined by the fundamental problems of merit pay. But the concept of merit pay can add an exciting new dimension to the federal service if we make it work properly.

Steve Hidalgo
Chairman of the Board
Professional Managers Association
Baltimore, MD.

Voluntary Placement Program for the RIF-Affected

If you have received advance notice of an agency RIF or have been identified as holding a surplus position, you can get help in locating other job possibilities. As long as you are not a temporary employee, you are eligible for the Voluntary Interagency Placement Program (VIPP). Coordinated by the Office of Personnel Management, VIPP accepts registration and provides assistance to anyone likely to be adversely affected by a RIF.

VIPP maintains a computerized job-matching system based on the voluntary exchange of information among agencies about surplus employees and vacancies. Early registration is preferable in order to allow ample placement coordination time.

Each agency should be referring people to VIPP as soon as the surplus people are identified or it has been determined that they are likely to be adversely affected by a RIF. Contact your personnel office or agency placement coordinator with any questions about your eligibility for VIPP registration and the procedures for doing so.

Once you are registered, efforts will be made to help you find suitable employment in another government agency or the private sector in a position for which you are qualified.

The Office of Personnel Management does not handle subscription arrangements for **Management** magazine. Subscriptions are purchased through the Government Printing Office, which provides both individual subscriptions and bulk subscriptions for Federal agencies.

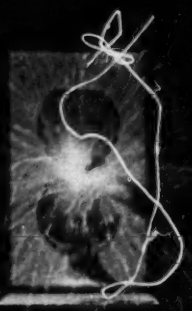
Individual Subscriptions: A year's subscription (four quarterly issues) may be purchased by sending a check or money order to: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. The annual cost is $10.00 domestic, $12.75 foreign. Single copies are $2.75 domestic, $3.45 foreign. (Master Charge and Visa are accepted.)

Federal Agency Bulk Subscriptions: Federal Government agencies may obtain bulk supplies of **Management** at reduced rates through sharing the publication costs by riding OPM's printing requisition. Orders should be placed through your agency's printing procurement office. That office should submit a Standard Form 1 requisition to the Government Printing Office, requesting to ride OPM's printing requisition 82-35 to obtain the number of subscriptions desired and specifying addresses to which distribution should be made. For more information call (202) 632-4400.

3/2

A MAGAZINE FOR GOVERNMENT MANAGERS

MANAGEMENT



BURNOUT

LD
C
D.S.
NEWARK
LIBRARY
FILE COPY

NEWARK PUBLIC LIBRARY

OCT 8 1982

U. S. GOVT. PUBS.
DEPOSITORY 376

PM 1.11/2:

Contents

THIS ISSUE

2	Burnout	Causes, symptoms, how to cope.
6	Secret Service Stress	Handling an occupational hazard.
9	Back to Basics	A forward-looking management perspective.
12	Employee Institutions	A fact of life, acknowledged.
14	RIF Procedures	How did we get here from there?
17	Cutback Management	A check list for federal managers.

EVERY ISSUE

20	First Person, Singular	Ten stages of a RIF.
22	Worth Repeating	Why your boss makes you feel stupid.
24	Nitty Gritty	Employing experts and consultants.
26	Political Activities	To do or not to do...
27	Managers Reading Digest	Personnel and general management reading.
29	In Brief	Current legal decisions.
31	After/words	Letters and comments.

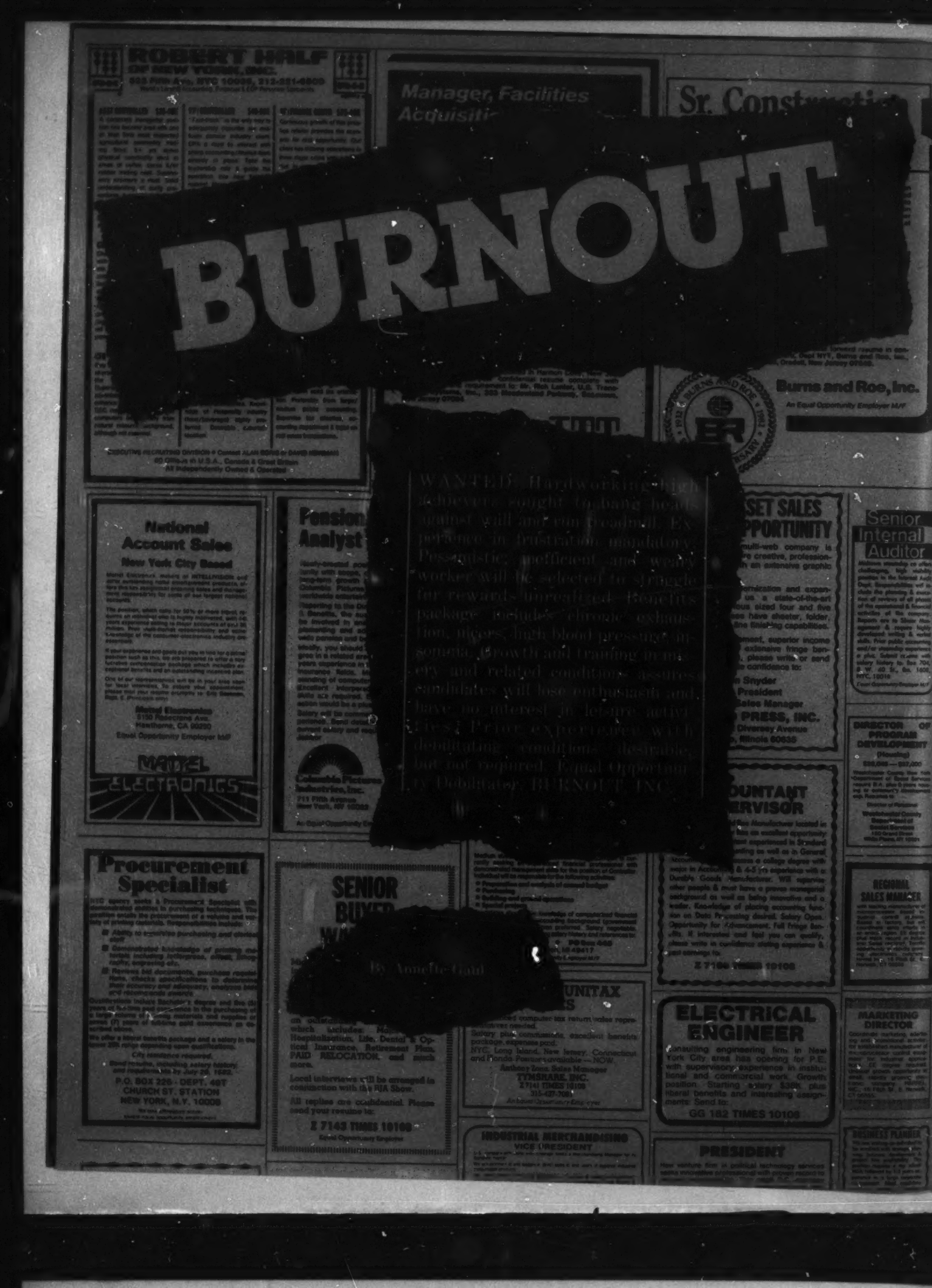
Director
Donald J. Devine
Deputy Director
Loretta Cornelius
Director, Office of Public Affairs
Patrick S. Korten
Editor
Lee Treese
Design
Hausmann/Krohn, Inc.
Editorial Assistants
Lynn Alfalla, Annette Gaul, Efstathia A. Siegel, Sarah Wellborn Leung
Graphic Assistant
Woody Schuler
Cover Photograph
Don Carstens

Manuscripts submitted for publication should be typed double spaced (pica, if possible), 1000 to 1500 words, with working title and brief author information. No special permission is required to quote or reprint materials contained in the magazine. However, when articles are identified as having originated outside the Office of Personnel Management, the author should be contacted for reprint permission.

MANAGEMENT Vol. 3, No. 2 Spring 1982

Management is published quarterly by the U.S. Office of Personnel Management. Editorial inquiries should be sent to: Lee Treese, Editor, **Management** magazine, Office of Public Affairs, U.S. Office of Personnel Management, Washington, D.C. 20415. Telephone (202) 632-4400.

Management is available on subscription from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. $10.00 domestic, $12.50 foreign. Single copies are $2.75 domestic, $3.45 foreign. (Master Charge and Visa are accepted.) Use of funds for printing this publication approved by OMB letter of May 24, 1979.


BURNOUT
WANTED: Hardworking, high
achievers sought to bang heads
against wall and run treadmill. Ex-
perience in frustration mandatory.
Pessimistic, inefficient and weary
workers will be selected to struggle
for rewards unjustified. Benefits
package includes chronic exhaus-
tion, migrane, high blood pressure, in-
somnia, ulcers and premature
senility. Growth and training in men-
tal and related conditions assures
candidates will lose enthusiasm and
have no interest in leisure activ-
ities. Prior experience with
debilitating conditions desirable
but not required. Equal Opportun-
ity Employer. BURNOUT, INC.
ROBERT HALF
OF NEW YORK, INC.
Manager, Facilities
Acquisiti-
Sr. Construction
Burns and Roe, Inc.
An Equal Opportunity Employer M/F
National
Account Sales
New York City Based
MATTEL
ELECTRONICS
Pension
Analyst
Columbia Pictures
Industries, Inc.
Senior
Internal
Auditor
SET SALES
PPORTUNITY
PRESS, INC.
DIRECTOR OF
PROGRAM
DEVELOPMENT
(Housing)
Procurement
Specialist
SENIOR
BUYER
By Annette Gund
UNITAX
ELECTRICAL
ENGINEER
Consulting engineering firm in New
York City area has opening for P.E.
with supervisory experience in institu-
tional and commercial work. Growth
position. Starting salary $38K plus
liberal benefits and interesting assign-
ments. Send to:
GG 182 TIMES 10108
MARKETING
DIRECTOR
REGIONAL
SALES MANAGER
INDUSTRIAL MERCHANDISING
VICE PRESIDENT
PRESIDENT
BUSINESS PLANNER

Interested? If you haven't spun your wheels long enough, you wouldn't be eligible. But if you're a likely prospect, denying your qualifications may well make you a prime candidate.

Recognizing Burnout and Its Causes

To become burned out is to become increasingly burdened to a point beyond one's tolerance. Too much work, too little satisfaction, too many expectations, too little positive feedback, pressures left undefused, and a sense of inertia are some of the symptoms of burnout. "It's like living in purgatory," said one government manager, "and knowing that hell is just around the corner. It's a feeling of quiet desperation, of being on an anxiety treadmill."

Burnout is not synonymous with stress. Stress can be positive and does not necessarily have a detrimental effect on productivity. Burnout does. Stress may be contained within one area of a person's life. Burnout is not as selective and can affect all areas of a person's life, especially work. Burnout comes from too much stress, a case of overloaded circuits. While a stress victim can redirect his energy, the burnout has little energy or sense of direction and sees no "out" or solution to the pressure, frustration and disillusionment he is experiencing.

Originally, burnout was thought to be a side-effect suffered by those in the helping professions, such as doctors, teachers, nurses and social workers. Only recently has it been recognized as a consequence in any field, from switchboard operation to management. It's not so much that there is an upswing in burnout as there is an awareness that "That sounds like what is happening to me."

Dr. Herbert J. Freudenberger, in *Burnout: The Cost of High Achievement*, describes the burnout victim as "someone in a state of fatigue or frustration brought about by devotion to a cause, way of life or relationship that failed to produce the expected reward." Another definition is provided by Robert L. Veninga and Joseph P. Spradley, authors of *The Work Stress Connection: How to Cope with Job Burnout:* "Burnout is a debilitating psychological condition brought about by unrelieved work stress."

Recognizing burnout is not as simple as it first may seem—whether it involves one's self or others. More often than not, the people least expected to be susceptible to burnout—the super achievers, the high aimers, the hardest workers—are the very people who experience it the most. And it becomes a doubly damning experience for them because they are the very people who are most expected to be able to combat it. They are, after all, the people ingrained with the old cliches: "If at first you don't succeed," "Hard work carries BIG rewards," and "When the going gets tough, the tough get going." It's no wonder that when the axioms no longer apply, burnout victims feel much like a car tire in an icy pothole: They keep revving and rocking to get out, to no avail; they are stuck.

A by-product of the I-know-I-can-pull-myself-out-of-this syndrome is a sense of isolation. In our society, people don't want to admit they can't meet their own or others' expectations, that they "can't hack it." But what the burnout victim often fails to realize is that the expectations may be unrealistic. Not understanding that revised goals are acceptable, the potential burnout puts double effort into fighting the symptoms—or ignores them.

Workers who are cranky, critical, extremely sensitive, smoking and drinking more, sleeping less, calling in "sick" more often, or sitting and staring at the wall may be *burning out.* Symptoms can include a general "Blah" feeling; a lack of energy, interest or enthusiasm for anything; headaches; backaches and other physical signs of weariness. A sense of pessimism prevails. Decreasing efficiency and an apathetic attitude are also common. The burnout victim at first glance seems to be functioning, though not at top efficiency. At second glance, changes of increasing variety and frequency can be noted. The employee known for an even disposition becomes riled or withdraws over something that would not otherwise have fazed him. An employee with a reputation for accuracy increasingly makes mistakes. A manager whose style signaled a belief in open communication among staff becomes dictatorial and inaccessible.

Physical symptoms are a clear sign that something is amiss and should not be ignored. One agency manager was experiencing physical ailments for which doctors could find no organic cause. "My body kept sending me signals," he said, "but I was too tired even to listen. My 'I could care less' attitude was surpassed only by my rising blood pressure and lack of sleep. Only after I realized how my family and staff were being affected," he recalls, "did I stop to examine what was happening. I didn't want to be the next heart attack victim in town."

Unchecked symptoms can develop into disastrous results. In a study conducted at the National Aeronautics and Space Administration, managers, when compared to scientists and engineers, were found to have the most work stress and had "a significantly higher incidence of coronary heart disease." Researchers John French and Robert Kaplan, in *The Failure of Success*, cite findings to indicate managers experience higher work stress due to quantitative work overload, major responsibility for other people, differing organizational territories, and role ambiguity and conflict. (Scientists and engineers experienced more qualitative work overload in general.) The study demonstrated the researchers' hypothesis that stress can produce physiological strain. Their findings from several studies show that "various forms of workload produce at least nine different kinds of psychological and physiological strain in the individual" of which almost half are risk factors in heart

disease.

Burnout is not limited to individuals. Staff burnout can occur in certain situations. For example, staff assigned to do a major project on a tight deadline with little direction or commitment from top management will demonstrate burnout symptoms. Burnout victims exhibit a low capacity for stress, low tolerance for ambiguity and possible increases in intra-personal conflicts. Burnout in the work environment can be characterized by increasing authority conflicts, disrupted staff interactions, tardiness, high turnover, isolated power groups, etc.

Factors outside the work environment can also contribute to burnout. For example, critical public attitude toward a specific program, political or economic upheaval, the threat of layoffs, sexual harassment, and racism can all significantly affect an employee's potential for increased stress and burnout. Organizational factors, such as unsatisfactory physical work conditions, lack of control over one's tasks, lack of opportunity for advancement, promotion denials, arbitrary changes in the work environment and other related factors can cause stress overload, leading to burnout.

While causes for burnout are numerous, the underlying theme of unfullfilled expectations is common. Take, for example:

- The manager who aspires to be topnotch but has inadequate resources to do her job and is unable to take personnel actions which should be her perrogative.
- The employee who has worked hard to develop expertise in his field only to find out that his job or field are no longer considered vital to the organization.
- The manager who is no longer able to make any decisions due to pressure from all directions. To appease or please has become a rut.
- The employee who has done outstanding work in the past. Now she has vowed to do the "the minimum necessary" to keep the job because she has never been rewarded and does not feel appreciated for the extra efforts previously demonstrated.
- The manager who struggles desperately to be motivating and fair, yet morale remains low, absenteeism high and turnover increasing. He exerts himself still further only to discover he is fast becoming overburdened and angry with himself for allowing it to happen.

American society is imbued with the Puritan work ethic and Horatio Alger stories of success. Newspapers and magazines are chock full of the "perfect" lives of the rich and successful. "I always believed hard work and the struggle to become excellent at what I do would have a payoff," says a manager formerly in charge of a multi-million dollar program, "but instead, I'm now in a position where my program has been scrapped, the people I'm working with are totally demoralized, and I've got to decide what to do after fifteen years as a manager because I'm affected by reduction in force exercises. It's pitiful."

Says another: "I had expected top management to be the pinnacle of my career. It's really more of the same—only in triplicate."

Coping with Burnout

As a first step to coping with burnout, avoid the trap of many victims who place full blame on themselves or others for feeling the way they do. They push harder and harder in the same direction, only digging themselves in deeper. Instead, make every attempt to take an objective view of what is happening to you and channel your energy into understanding, re-evaluating and determining your best actions.

Understanding

Identify the problems you are having. The ability to pinpoint what is causing you to burn out will help save you the time wasting process of denial or the fruitless search for instant miracles. Don't neglect what your body is telling you by ignoring the symptoms and repeating previous mistakes. Pinpoint, so you'll know what you're up against and how to combat it. You are your own best judge—use your insight to analyze and monitor yourself.

Are you your own worst enemy? People who are consistently hard on themselves—always striving and driving to do more and be more—are often unable to accept themselves. Understanding why what seemed interesting and challenging in the past is now a burden is a key step to re-evaluation and change.

Family attitudes and expectations sometimes create the kind of overachieving, hardcharging person who is a prime candidate for burnout. Veninga and Spradley suggest an exercise which can be valuable in helping you understand or reconstruct those attitudes that burdened or influenced you. Take out the family photo album and examine old pictures. Observe closely the circumstances in which they were shot, who is in the pictures, who is usually missing, smiles or lack of them, how you look in the pictures, etc. Think about how you have changed through the years and whether all of those changes are welcome, self-imposed, or result from someone else's expectations.

How have you adapted your attitudes to the work world? Do those attitudes result in burnout? Which pressures can you change and which factors are external or environmental? Once you have identified the problems, you can begin analyzing your values and priorities, and can begin the process of change.

Suggestions for Change

Once you have identified the problems and understand the factors contributing to your burnout, consider your options for change and follow through on those with which you would feel most comfortable. The following suggestions may help.

- Defuse the problems: Learn to say no. If work keeps piling up on you and you've reached your limit, say so. Make your limits known and stick to them. If deadlines are unreasonable, state why. You are not making excuses, you are establishing bounds.
- Set realistic goals. Consistently accepting impossible workloads or deadlines may demonstrate tenacity on your part, but at your expense. Setting realistic goals requires a

knowledge of your own capabilities. Setting goals too high guarantees your potential for burning out because you'll either reach them without any energy reserves or you won't reach them at all, and will feel like a failure.

- Cut the deadwood out of your life. Pretend you have a limited amount of time to live. What activities, relationships and behaviors would you eliminate to make the most of your time? Forget the oughts, shoulds, have-to's and guilt; cut out anything that drains your time and energy or is no longer enjoyable.
- Use your leisure time to provide balance. In your free time, do the opposite type of activity that you do at work. If you work alone at your desk all day, take up an interest involving people or the arts. If your job involves dealing with people for hours on end, choose an activity requiring some solitude.
- Exercise. Take a walk, go for a swim, play volleyball, anything that gets you moving. Make time for it. Physical activity will help release tension and stress and make you more able to handle burnout symptoms. Numerous studies have demonstrated that exercise significantly increases a person's capacity for work and ability to deal with pressure, stress and frustration. Proper nutrition and sufficient sleep will also help replenish your body's resources.
- Learn breathing and relaxation techniques.
- Keep a sense of humor. Maintain a healthy perspective of the lighter side of life; don't take everything so seriously. Extreme sarcasm projects a bitterness best avoided.
- Indulge yourself. Do special things for yourself that you would do for friends and relatives if they needed it.
- Plan specific measures for how your job stress can be reduced. Complaining without determining alternatives is fruitless. Think of reasonable ways to combat time pressures, boredom, work overloads, and other stress that is aggravating your burnout symptoms. Think of your typical day and what changes can be made to improve it.
- Consider changing careers. If, after analyzing your situation, you see no steps to be taken or solutions to be made, think about switching careers. More and more, people who are fed up with their jobs, laid-off, or fired, are demonstrating a positive attitude in reevaluating their priorities and goals in determining new lifestyles and careers.

Assisting Burnout Victims

How do you give help to someone going through burnout? You don't, according to Veninga and Spradley; giving help undermines the burnout victim's self-confidence. Instead, they suggest, develop a "helping relationship" involving listening, respect and a trust in the person's capacity to use his own resources to solve his problems.

Listen with undivided attention. Show you are really interested in what he has to say—this will help him overcome the feeling that "no one understands." Ask questions to draw the person out, but avoid giving advice. Someone experiencing burnout needs to be responsible for making his own decisions; he may blame you if your advice doesn't work for him.

Consider available resources. Giving the person a book on stress or burnout, a memo on an employee assistance program or a pamphlet on a community support agency—especially one you may have already used and found helpful—is a way of demonstrating support. It lets him know what's available but doesn't intrude on him. He can then choose to follow up on any of them.

There are various actions you can take to keep an employee from becoming burned out. Rotate people with exhausting tasks so they don't wear themselves out. Don't always ask the same person to handle crises. Give positive feedback to employees to demonstrate their value to the organization. Make sure the workloads and deadlines you assign are reasonable. Provide training to keep employees up to date in the state-of-the-art in their field. Be flexible about requests for annual leave or for desk transfers within an office; there's usually a legitimate reason. Read between the lines if an employee seems to be undergoing extreme mood shifts or suffering from physical ailments like those described in the previous pages.

It is your responsibility as a manager to question an employee whose actions are affecting his productivity at work. It is not your responsibility, however, to act as the employee's counselor. Such action on your part may be interpreted as interference. Discuss what problems the employee has that may fall under your ability to change, such as altering unreasonable deadlines. Problems that are not work related are not within your authority. Under such circumstances you may want to suggest other helping alternatives to the employee, but do so lightly. Avoid increasing pressure on an already pressured person. Tact is the key. Don't threaten an employee with statements or behavior that say "shape up or ship out."

In the extreme, burnout can lead to disaster. (People with no stress, it is said, rust out. People who burn out may snuff out.) If not prevented, it can be a very costly and painful way to reevaluate goals and life priorities.

Luckily, burnout can be prevented. When their symptoms are noticed before they become dangerous or disabling, most victims can, like the legendary phoenix, rise from the ashes and start anew.

The Bottom Line

If the cost of burnout were documented, the amounts would be staggering. Formerly productive workers become clockwatchers, use sick leave until it runs out and develop inefficient practices on the job. Employees with depleted resources soon waste the organization's resources through absenteeism, low productivity, high turnover, etc. (A study by the University of Louisville estimates general absenteeism alone costs employers up to $20 million dollars annually.) Aren't the end results of burnout worth doing something to combat it?

Annette Gaul is a writer/editor in the Office of Public Affairs, OPM

How the Secret Service Handles

STRESS

Stress: you can't see it or touch it— but all of us have felt its effects at one time or another. We are all familiar with the pounding heart, the tense muscles, the cold hands and feet that signal the body has gone into emergency overdrive, ready for "fight or flight."

Under certain circumstances, stress can actually be enjoyable. If it weren't, most carnival rides would go out of business overnight. In its positive incarnations, stress often goes by other names: "excitement," "stimulation, or "challenge." Many jobs by nature are stressful, and individuals are often attracted to these jobs by the very stress—or "challenges"—they involve.

Those who enjoy high-stress employment are often unaware of the toll prolonged, unrelieved stress may be taking on their minds and bodies. And the more stressful an occupation is, the less leeway it may allow for the diminished performance that poorly managed stress can cause.

Realizing this, the United States Secret Service has been studying the effects of stress on its employees since the early 70s. The result has been a many-faceted stress management program, highly praised in the academic community and used as a model by other law enforcement agencies.

Secret Service employees are no strangers to stress. In the middle of a political campaign, for example, when candidate protection strains Service resources to the utmost, a Special Agent may be working 12- to 16-hour days (or nights, since protectees must guarded around the clock). Agents may work as many as 21 days before getting any time off. Travel schedules may call for six or more cities in a single day—and weeks, even months, on the road.

While protecting a President, a candidate, or other dignitary, agents must maintain themselves in a state of "hyperalertness"—ready, hour after hour, day after day, to respond instantly to an attact that, if all goes well, never comes. No matter what their exact responsibility, all Secret Service agents and non-agent personnel live with the premise that there is no margin for error in their work. There are no acceptable excuses.

Mindful of the possibilities of "burnout" present in such a situation, Secret Service managers try to see that agents generally spend no more than three or four years in full-time protective assignments before being rotated to a field office. There, agents function primarily as criminal investigators, apprehending counterfeiters and forgers of Government checks. Stress of a different type comes with this job—arresting armed criminals, working undercover, associating with society's lowest elements. In addition, the Service uses its field office agents as a pool on which to draw for temporary protective assignments.

Secret Service management carefully monitors stress factors on agent personnel, trying to alleviate pressures where possible. Agents are no longer assigned two-to-a-room when traveling. Overtime hours and days off are regulated as strictly as circumstances allow. Transfers, whenever possible, are made by mutual consent. Career tracts are defined and individuals kept informed exactly where they stand for promotion.

But it is recognized by all concerned that, beyond a certain point, little or nothing can be done about the stresses inherent in the agency's mission. Therefore the Service has initiated a comprehensive stress management program to attack the problem from every possible angle. One part of the program teaches employees how to deal with stress, whether job related or not, on an everyday basis; another assists employees confronted by personal crisis which are a result of, or add to, their stress load. The physical condition of all agents is monitored for early warning signs of stress-induced disease, and high-level managers and supervisors are counselled on physical or psychological management problems.

A major part of the Secret Service stress management program is the Office of Training's Stress Management Seminar, a nine-hour course module incorporated in most in-service training courses. The Seminar's goal is to help each employee recognize what constitutes stress and devise individual techniques for coping.

Employees are taught that stress, itself, is not necessarily bad. A healthy "stress profile" shows stress peaks of fairly short duration interspersed with valleys of relaxation, much like the "stress and rest" technique used by athletes in training. Because most Secret Service jobs contain so many peaks of stress, employees are taught they must take extra care to provide themselves with valleys of relaxation when and where they can. Since there are very few opportunities on the job, the key is often off-duty behavior modification.

Seminar instructors teach that one of the most valuable methods of helping the body deal with stress is physical fitness. Studies have shown that when the body is in good physical condition, it is not as subject to the jarring and often damaging chemical changes commonly induced by stress—and after the emergency is over, it returns much more quickly to a relaxed state.

Physical fitness has always been an important part of Secret Service agents' qualifications, but the Stress Management Seminar shows them the positive benefits of not only meeting, but surpassing, the agency's minimum standards in that area. And non-agent personnel are encouraged to establish their own physical fitness regimen.

Students learn that much of the negative stress they undergo is self-induced. As a course instructor puts it, "We talk about perceptions a great deal. Often things that we perceive as negative and stressful are, by and large, neutral stimuli. We talk about trying to tone down the meaning of things in the environment so that we don't react to them so strongly."

If minor elements continue to cause major stress, an individual is taught to consider ways of eliminating or avoiding the stress-producing circumstance entirely. If listening to music while sitting in rush-hour traffic doesn't calm feelings of frustration and tension, employees are advised to get up half an hour earlier and avoid the traffic entirely.

Recognizing that simple avoidance is not sufficient to get through all the stresses of modern life, students are introduced to a smorgasbord of tension-relieving techniques and pursuits, ranging from hobbies and community activities to meditation and religion. Working with biofeedback machines, students prove to themselves that they really can control their own physical reactions to stress. There are no "school solutions"; each individual is encouraged to find and apply the techniques that work for him or her.

Seminar students are told, "We can't change the rules of the game for you. You're still going to have to cope with the responsibilities of your job. And the rest of it—traffic, bills, taxes—will be there, too. Everybody has to play the game. But we can show you some tricks of the trade to play the game without getting overburdened."

Sometimes, despite best efforts, an employee does get overburdened. When that happens, the Secret Service Employee Assistance Program steps in to help. An outgrowth of the alcohol and drug abuse program mandated by law for all government agencies, the Service's Program is an active full-time operation designed to help employees and their families with the full range of life crisis situations.

Perhaps surprisingly, considering the pressures on them, Secret Service employees have rates of alcoholism and marital failure well below the national average. But when these or other serious problems do occur, assistance program counselors are on call 24 hours a day.

Seventy percent of the Program's cases are referred by supervisors, sometimes in lieu of disciplinary action. Often the precise nature of the problem is unclear at the outset, al-

though symptoms—diminished work performance, absenteeism, or problem drinking—may be all too evident.

Working with the individual, the counselor analyzes the situation. An employee may be drinking too much: Is he really an alcoholic or is the drinking due to a marital problem or an emotional breakdown? If alcoholism is the problem, is the case suitable for outpatient or inpatient treatment? Is the employee fit for duty or should he be placed on leave? After weighing all factors, the counselor refers the employee to the proper psychological or medical facility for counseling or treatment.

Confidentiality is the cornerstone of the program. The only exceptions to this rule are cases that involve a threat to human life or to the mission of the Secret Service. When these issues are involved, employees are told immediately that confidentiality can no longer be maintained. In all other cases, no disclosure is made to anyone without the individual's express permission—even to the supervisor who may have made the referral in the first place. (Efforts are often made, however, to convince an employee that a supervisor might be more understanding if told about the problem.)

Families are also included in Employee Assistance Program services. Spouses and children of distressed employees often have their own problems, which are either caused by, or contribute to, the situation. By the same token, family members' severe problems can add immeasurably to the stress level of employees who themselves are functioning well.

Counselors sometimes get calls such as, "My wife has undergone a drastic change. Suddenly she isn't eating, she isn't sleeping. I'm really worried about her. Can you convince her to go for counseling?" Or, My teenager is so depressed he's suicidal. I don't know what to do. I don't know where to go for help."

No Secret Service employee or family member is ever referred to a health care facility that has not been thoroughly checked and evaluated by the Program staff. Usually this evaluation includes a personal visit, an interview with the director and a thorough review of the treatment program and follow-up system. Regardless of the facility's own follow-up policy, the Assistance Program counselor assigned to the case routinely stays in contact with the employee for a year or more to see that everything is going well.

Besides checking on treatment facilities throughout the country, EAP counselors travel to field offices to give seminars. Sometimes these are designed merely to spread the word about the Employee Assistance Program and its availability. Often discussion groups zero in on specific problem areas, helping employees spot danger signals in themselves that should send them to the program for help.

Discussion groups often divide individuals by job type, sometimes by sex and age, so that members will have common problems to discuss. Counselors say they perceive a definite difference in the agents' approach to stress: They tend toward an "I can deal with anything" attitude that makes it much more difficult for them to recognize stress and seek help.

Partly because of this, a growing network of peer counselors is assuming increasing importance in the Employee Assistance Program. Trained in counseling techniques, these individuals are "graduates" of the Program who volunteer to sacrifice some of their time—and their anonymity—in order to repay some of the help the Program has given them. As one member of the staff puts it, "An agent may call me, refuse to give his name, and say he is worried about a particular problem or situation. I can say 'Why don't you call Special Agent So-and-So? He's been down that road and he can tell you about it.' Rather than accept help from me, an outsider, he can talk to someone he feels will really understand."

Both the Stress Management Seminars and the Employee Assistance Program are designed to help employees identify and cope with stress as individuals. Two other elements of the Service's stress management program help the organization as a whole cope with the stress of its personnel.

All Special Agent annual physicals, no matter where they are performed, are forwarded to the Institute of Human Performance in Fairfax, Virginia, for evaluation. The Institute spots incipient health problems which stress could exacerbate.

The Secret Service also has a new agreement with the National Institute of Mental Health in Rockville, Maryland. Five psychiatrists on the Institute's staff have received complete background investigations and top secret security clearances. Those doctors maintain open communication with high level Secret Service Staff, including the Director, Deputy Director, and Assistant Directors. Focus is on management decisions that might have psychological repercussions for employees. Line managers, such as protective detail leaders and field office Special Agents in Charge, may also seek advice on their psychology-related management problems. Their supervising Assistant Directors can put them in direct contact with NIMH psychiatrists for that purpose.

Not much can be done to change the basic "rules of the game" for Secret Service employees: The pace can be frantic; the responsibilities are staggering; and the margin for error is usually nil. Moreover, most of them enjoy the challenges of their difficult line of work. The Secret Service's strong stress management program doesn't change the rules. But it helps employees play the game—win—and come up smiling.

A career Special Agent, Robert R. Snow is currently Assistant to the Director for Public Affairs, United States Secret Service.

BACK TO BASICS AND LOOKING FORWARD:

A PERSONNEL MANAGEMENT PERSPECTIVE

By Efstathia A. Siegel

The country pretty well knows by now the new directions the Reagan Administration is taking when it comes to major policy matters: national defense, the federal budget, government's role and influence in the lives of private citizens.

Perhaps less obvious, even after a year and a half, are the changes occurring in federal personnel management. Since the Reagan Administration has taken over, a few highly publicized events have focused public attention on certain topical issues: federal layoffs or reductions in force (RIFs), rules dealing with striking air traffic controllers, federal workers' contributions to charities.

Some of these issues, like resolving inequities in the federal retirement system, require long-term study, policy changes on the federal level, and legislative action. Others can be remedied quickly and fade from public view once the immediate event has passed.

"Back To Basics"

Whatever the issue or event, however, a "back to basics" philosophy and approach have guided the Administration's personnel policies. From the beginning, Office of Personnel Management Director Donald J. Devine has said that OPM's basic goal and mission would be carrying out and enforcing civil service rules. Agency resources would be redirected to carrying out fundamental personnel functions. Agency money would be saved by eliminating many of the "frills" which have little to do with basic personnel functions.

Underlying all agency activity is a commitment to ensuring that personnel laws are upheld and that effective oversight of agency personnel actions is maintained. As part of the Administration's goal to reduce government spending, OPM saved money in many areas in 1981 by eliminating programs and services considered unnecessary. However, funding for evaluation and compliance activities was increased by $.7 million in 1981 in order to carry out an aggressive oversight program.

One of the most fundamental OPM functions is administering the federal workers' health and retirement trust funds, with assets totaling $91 billion. A study of trust fund management showed that for many years OPM's techniques and procedures for estimating, budgeting and tracking trust fund expenditures were largely undocumented, uncoordinated internally and inconsistent. Each year OPM would submit financial projections to the Congress to fund the health and retirement trusts. These projections were based on incomplete and unintegrated fiduciary and financial data. As a result, too frequently, additional appropriations were needed simply to cover the government's health insurance benefits commitments for the year.

What had been happening was that benefits were being increased without much consideration for costs; reserve funds were being used to keep employee-paid premiums artifically low; and costs to the government and to employees and annuitants, keeping in line with escalating health care costs nationwide, were skyrocketing. By 1982, because of inaccurate financial projections based on underestimations of both health benefits costs and the employee and annuitant populations, $440 million in supplemental appropriations would have been needed to cover government contributions for the health benefits originally proposed by the carriers.

FEHB Controls

Devine set out to establish both short and long term strategies to deal with the problem. Over the short term, health insurance carriers were told in the autumn of 1981 that benefit cuts would be required in order to reduce premium costs for both the government and employees and annuitants. The reductions resulted in savings of more than $320 million in FY 1982, and employees were spared the 61 percent increase in their share of premiums which would have been necessary without the cuts.

This effort was challenged in the courts by a number of the carriers in the FEHB program, principally those sponsored by public employee unions. OPM fought throughout late 1981 and early 1982 to establish its authority to impose benefit reductions and control program costs, finally winning all of the significant cases in the U.S. Court of Appeals.

Devine hoped, however, to take steps which would prevent recurrence of a similar crisis in the years to come. Administrative changes, including a revamping of the actuarial and budgetary processes in the health benefits trust fund, are being pursued. And work has begun on proposals which would go beyond administrative fine-tuning.

For a long-term solution, OPM is developing legislation needed to reform the FEHB program. Proposed legislation, which could be introduced in 1984, would effect dramatic changes in the health insurance program. Rather than simply modify the existing program, proposed changes allow employees a wide range of options and selections, thereby reducing government paternalism, encouraging employee choices, fostering competition in the health care industry, and reducing the costs of health care for all taxpayers.

Retirement Reforms

Reforming the federal retirement system posed its own special problems, with many solutions having to come from outside of OPM. The Administration believes that excessive amounts in benefits ($14.7 billion yearly) are being paid out, causing a financial strain on all citizens.

In an attempt to limit the accelerating growth of federal income security programs, the Administration has been studying the broad area of entitlements. OPM investigated the entire government retirement system—from its own internal management perspective, as well as from a long-range legislative perspective.

For years OPM had been criticized for the number of outstanding retirement claims and for the length of time it took to process them. Devine inherited a backlog of some 100,000 cases. He promised to make reducing this backlog his first priority. Currently, the backlog has been cut to less than 40,000 and the average processing time has been reduced from nearly 120 days to around 35.

In cleaning up the retirement backlog, OPM also has been able to better police the retirement rolls to protect the fund against abuses, and, for the first time, to take a long, hard look at granting early retirements.

Devine has taken a firm stance against granting blanket early retirements because of their cost and because of their relationship to "pay compression" (the narrowing of pay differentials between job levels) in the Senior Executive Service. Since executive pay raises have not kept up with yearly General Schedule raises, pay compression for senior executives has become so severe that it has seriously restricted the use of salary as an incentive for better management. Some 40 percent of male civil service workers retire between ages 55 and 59, compared with only 6 percent in the private sector. To reduce the high rate of early retirements, which is causing the government to lose many of its ablest executives, OPM has tightened its policy and has pushed for raises for the SES. In the winter of 1981, with Devine's backing, the "pay cap" was raised to $58,500 for this group.

OPM also conducted a comprehensive study of its own management of the retirement system. OPM's Compensation and Budget and Management divisions were restructured to establish centralized accounting and a tight control on trust fund expenditures. Budget and financial considerations will be part of all actuarial decisions and detailed and compete data on all aspects of trust fund projections and expenditures will be kept.

In April OPM submitted a bill to reform the federal retirement system. Major provisions of this legislation are intended to curb the generous adjustments of civil service annuities. The annuities are required by current law to be adjusted by the full amount of any increase in the Consumer Price Index (CPI), while pay raises for federal workers are not. As a result, new retirees are finding their annuities much lower than the annuities of those who retired several years ago, even when their service history is identical.

The proposed legislation would limit the civil service retirement cost-of-living adjustments (COLA's) to whichever is less, the increase in the CPI or the increase in General Schedule pay. To correct the cumulative effect of generous adjustments granted to a significant number of annuitants in the past, the legislation would hold down COLA's to these annuitants in the future. OPM estimates that the COLA provisions of the bill alone would save the government $5.875 billion from 1983–87.

Other provisions of the bill would allow for better administrative control over the program and the elimination of costly inconsistencies that have developed over the years. Specific amendments would improve the operation of the disability retirement program, the collection of money due the retirement fund, the procedures for determining and paying lump sum death benefits and survivor annuities, and the procedures governing deposits, refunds and redeposits.

OPM rounded out its overhaul of its actuarial responsibilities by implementing a restructured life insurance program. During its government-wide open enrollment period in March 1981, all previous insurance waivers by employees were voided in order to allow all employees to participate in the new program. For the first time, large amounts of new optional insurance (up to 5 times salary), optional coverage on family members, extra basic insurance for employees under age 45, and increased amounts of basic coverage for retirees over 65 were provided.

Regaining Control and . . .

Another area where Devine felt that OPM had to reestablish control was in delegations of authority. The Civil Service Reform Act of 1978 allowed for decentralizing many of OPM's personnel authorities and delegating them to the agencies. The law states that agencies can conduct competitive exams for jobs which are unique to that agency. Under the previous Administration, agencies were given broad examining authorities covering a wide range of job series and grades.

During 1981, OPM conducted some 225 full-scale audits of agency examining activities. As a result of its findings and in support

of the Merit Systems Protections Board's report that problems existed with the new delegations, OPM recently changed regulations, returning to itself certain delegated examining authorities, and achieving a relationship in better keeping with the intent of the law.

Giving It Up

Reversing a long-time trend toward greater federal control, OPM has cut back substantially its involvement in state and local government personnel administration. The President's new Federalism calls for limiting Washington's control over state and local government activities. In this spirit, OPM in FY 1981 eliminated its $20 million intergovernmental grant program in the belief that, after ten years of demonstration funding at the federal level, it was time for state and local governments to decide whether it was worth it to them to invest their own resources in personnel system improvements and training.

OPM also has proposed regulations that would reduce the regulatory burden on state and local governments that receive federal grants-in-aid or other intergovernmental assistance. The new regulations provide state and local governments the freedom from federal intrusion to decide for themselves how to best serve their communities' personnel administration needs.

The Reagan Administration has brought an unprecedented commitment to limiting government spending. One way the President hopes to achieve this is by reducing government employment. He has set the goal of reducing government jobs by 75,000 by FY 1984 and by another 75,000 by FY 1987. In addition to a freeze imposed on hiring and high levels of attrition (some 90,000 non-postal, non-defense jobs in 1981), some agencies have had to separate employees.

Rethinking RIFs

Agencies experiencing reductions in force (RIFs) have found them disruptive to work and harmful to morale, as well as costly to run. Since the start of this Administration, about 9,000 workers nationwide have been separated.

Devine is proposing changes in RIF regulations, based on experiences at OPM and in other agencies and on OPM's assessment of current RIF procedures. He has described present procedures as "complex, sometimes inequitable and cumbersome."

OPM is seriously considering RIF guidelines that would:

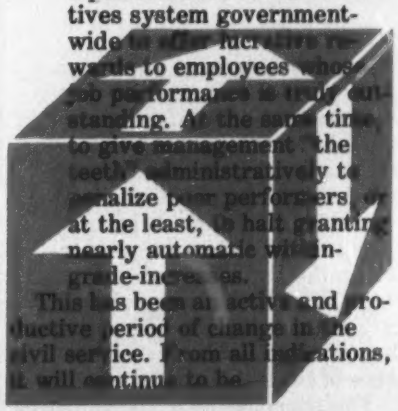
- Hold to a minimum the number of employees who are affected during the RIF process
- Shorten and consolidate the RIF process so that needed reductions can occur quickly and more responsively to management's decision to reduce the size of the workforce
- Give greater weight to employees' performance in determining retention standing

OPM pushed hard to have a governmentwide performance appraisal system in place by October 1981. With added importance given to job performance, OPM hopes to institute even more accurate and effective job evaluations. Devine supports upgrading job elements and standards where needed to ensure that new RIF procedures will be based on accurate and creditable job performance. Also under consideration is a limitation on the notice procedures required in advance of a RIF. This would be done to avoid what experience has shown becomes an agencywide panic once a general RIF alert notice has been issued. Changes in "bumping" and "retreat" rights, where higher graded workers take the jobs of lower grades ones over whom they have seniority, also could occur. The goal throughout would be to have a RIF process that could be maintained or activated at a minimum cost to resources and staff time.

New Priorities

During the past 17 months, OPM has concentrated on carrying out and improving its basic personnel administration responsibilities within the Administration's framework for substantially reduced government spending. Many of the goals Director Devine set out to accomplish (see *Management*, Summer 1981) have been realized and other projects are underway. Current efforts include:

- A major study of classification standards to maintain the system's integrity and accuracy. OPM hopes to develop standards of adequacy for position classification programs and plans to schedule governmentwide position classification audits for selected job series.
- Continued support for proposed legislation to amend the Federal Tort Claims Act, H.R. 24 and S. 1775. These bills are aimed at protecting federal employees from private lawsuits for alleged violations of constitutional rights.
- Continued support for proposed legislation to make permanent the Federal Alternative Work Schedules program, a flexitime program popular with the federal workers and supported by the Administration.
- Study and implementation of a performance based incentives system governmentwide to offer lucrative rewards to employees whose job performance is truly outstanding. At the same time, to give management the teeth to administratively terminate poor performers, or at the least, to halt granting nearly automatic within-grade increases.



This has been an active and productive period of change in the civil service. From all indications, it will continue to be.

Efstathia A. Siegel is a writer-editor in the Office of Public Affairs, OPM.

COPING WITH THE EMPLOYEE TURNED

INSTITUTION

By Jeffrey P. Davidson

There exists in many large organizations at least one employee who has effectively ceased functioning in the role or position for which he or she was originally hired, or to which he has been promoted. This type of employee has become an "institution." An employee turned institution is acclimated to all the ways of getting through each workday contributing as little as possible, while maintaining an appearance of being on top of the job.

The phenomenon of the employee turned institution occurs frequently throughout the federal bureaucracy since it is difficult to remove an employee from a federal position. Moreover, the personnel, management, and monitoring systems and procedures within federal government leave much to be desired. The phenomenon also exists, however, within business and industry.

The possibility that an employee can become an institution within any organization stems from a variety of reasons. Sometimes the employee is related to someone in upper management, although the actual occurrence of this is minimal in either government or private industry. Another reason is that the employee possesses specific knowledge or skill that the organization cannot readily acquire from other sources. The employee may have developed a particular expertise that, at least periodically, is of vital importance to operations. Frequently, an employee turns "institution" within an organization simply because he or she is *allowed to*, and no one (not even the supervisor) is cognizant of, or willing to expose, the employee's general lack of dedication and limited effectiveness on the job.

Frequently an older employee who has been with the organization since "Day One" can intimidate others who have less seniority. Surprisingly, this intimidation may even extend to the employee's su-

pervisors or to upper management. (Those who are unaware of the phenomenon can often increase the chance of its happening.)

How does an employee become an institution, how can you identify one, and—most important—what can you do about one?

Knowing the Ropes

In order to become an institution within an organization, an employee must "know the ropes"; he or she must be able to understand how the system works before the system can be circumvented. An employee cannot become an institution without wide exposure to the system and its procedures. Perhaps the employee has worked for a time in the billing department and then been transferred to sales and then later been transferred to receiving. In government, the exposure may have been gained in the public relations office, or as a special assistant to a director or in service on a special task force.

Supervisor Unaware

Usually when an employee turns institution the occurrence is due, in part, to a *lack of awareness* on the part of one key manager or supervisor. That one key person having knowledge of the employee's true work habits and operating procedures, would not allow such a practice to exist.

Inflexibility

A clue that an employee has become an institution is a pronounced lack of flexibility; the employee is vitally interested in maintaining the status quo and regards change as a major threat to the kingdom he or she has established.

The employee turned institution promotes mediocrity; when confronted with an idea that might be good for the organization but would involve real work, the employee will often respond with idea-killing phrases like "We've tried that before," or, "That never works."

Covering Up Techniques

The employee turned institution is very well versed in "cover your behind" techniques and, in fact, has developed an entire set of procedures to cover himself rather than accomplish anything for the organization. Some of the techniques used to cover oneself include faithfully filling out time sheets, completing other reporting requirements and quickly responding to memos and directives of immediate supervisors.

Influence Peddling

Another way to identify the employee turned institution is to observe who is influence peddling. There is a strong tendency among employees turned institution to influence others within the organization. Quite frequently, employees turned institution will be leaders of employee organizations or union groups, as they recognize that these positions will shield them from having to maintain job-related responsibility. Many leaders of employee groups are effective as employees within the organizations for which they work. The employee turned institution, however, uses employee or union groups for selfish ends. He or she also seeks the loyalty of selected subordinates and tries to form a cadre of employees who will act as a buffer to hostile parties.

Vacation Policy Expert

The employee turned institution is keenly aware of the benefits and deductions from one's paycheck. He uses compensatory time, sick leave, and annual leave to full personal advantage, taking each and every day as written in the policy handbooks. While the employee may make no significant contributions, rest assured that he or she will be well informed of organization policies and procedures, and will do whatever possible to stretch the policies for personal advantage.

How to Stop 'Em Cold

The employee turned institution can flourish only when otherwise good managers and supervisors refuse to see the true picture. The employee must be stopped cold, before having a chance to:

- Lower productivity,
- Demoralize other employees,
- Unfavorably influence other employees,
- Tarnish the organization's image to outside parties.

Once an employee turned institution has been uncovered, quick action must be taken. First it is desirable to *reassign the employee* to a new department, division, or operating unit, to reduce the employee's "comfort level." If the transfer is not in the best interests of the organization, then the employee should *be given new tasks* and responsibilities, while assigning his or her previous ones to someone else.

The employee turned institution should be *physically relocated* to a different office. Preferably, the new location should be next door to the immediate supervisor, or in a highly visible location.

Without making it obvious, the supervisor of an employee turned institution should initiate the practice of *periodically checking* to see how—and what—the employee turned institution is doing. If necessary, new or expanded daily and weekly *reporting logs* can be introduced.

Circulate a memorandum to the entire office, stating that activities and behavior that interfere with the primary functions of the organization will result in punitive action or dismissal. Good employees won't be troubled reading the memo; employees turned institution will cringe.

If an employee turned institution is discovered after a relatively short period of time, sometimes a *stern message* delivered in person by the head of the organization can rectify the situation. However, if an employee turned institution has been allowed to flourish for a prolonged period, and the seven steps above have been ineffective, then once he is discovered, *dismissal*, unfortunately, is the best procedure. Some supervisors may find dismissal or termination too harsh. It isn't; not for someone who has *consistently circumvented the system for his or her own ends.*

Jeffrey P. Davidson is a management consultant with IMR Corporation, Falls Church, Virginia.

RIF PROCEDURES

How They got Here from There

By Thomas A. Glennon

The Fall 1981 issue of *MANAGEMENT* summarized the workings of the reduction in force system that is used in the Federal service. One conclusion is apparent after reading the article: the present reduction in force system is complex. It is only natural to ask how the reduction in force system developed. The answer is that the present system has been evolving for over a hundred years, with origins reaching to the earliest years of the Federal service.

From the founding of the Republic in 1789 until the early twentieth century, each executive department handled reductions in force in its own way. Some early evidence indicates that the departments were concerned with selecting and retaining the more efficient employees. However, with the growth of the patronage system in 1829, government employment was popularly considered a reward for supporting the victorious political party. As a result, government employees had no retention rights to their jobs.

Congress first became interested in establishing a retention system for federal employees when it provided as part of an 1876 veterans law that each department must retain discharged veterans over nonveterans in a reduction in force. With the passage of the **Civil Service Act** in 1883, the principle of veterans preference, as well as that of competitive appointment, was established by law.

Until 1912, each executive department continued to apply its own procedures in conducting staff reductions. The departments generally tended to retain employees with permanent status over other employees, although this was not required. In 1912 Congress enacted the **Efficiency Rating Act**, which introduced efficiency ratings as a reduction in force retention factor. However, the Efficiency Rating Act had little real impact on personnel policies in the Federal service until **Executive Order 3567** in 1921 established an efficiency rating system. This Order provided that employees having the lowest efficiency ratings would be the first persons affected by separations and demotions in a reduction in force, and veterans with "good" ratings were given preference in retention.

In 1925 the Personnel Classification Board, which was established by the Classification Act of 1923 to implement compensation schedules, issued **Circular 20** containing the first uniform reduction in force regulations. These regulations only applied to departmental service (i.e., headquarters rather than field) employees covered by the Classification Act of 1923; other Federal employees were still released according to the different procedures of the individual departments. Circular 20 contained the following significant reduction in force procedures:

- Temporary employees were to be demoted or separated before permanent employees.

• Veterans, widows of veterans, and wives of disabled veterans received absolute preference, provided they had efficiency ratings of "good" or higher.
• Employees were to be in competitive levels grouped according to their respective grade levels to determine their order of release.
• Seniority was introduced as a retention factor.

The functions of the Personnel Classification Board were transferred to the Civil Service Commission in 1932. The retention system used from 1933 to 1942 was periodically refined, but essentially the procedures provided for in Circular 20 were left intact. Then in March 1943 the Civil Service Commission issued **Departmental Circular 412,** which provided that length of service was to be used as a retention factor only when necessary to break ties in retention standing. In July 1943 the Commission issued **Departmental Circular 431** which, in effect, increased the weight of seniority as a reduction in force retention factor. The apparent intent was to give higher standing to long-term employees in any post-war reductions of personnel. Circular 431 also extended the coverage of the reduction in force regulations to the field service. (The efficiency rating system had been extended to the field service by the Mead-Ramspeck Act of 1941.)

The present reduction in force system was established in law by the **Veterans' Preference Act of 1944,** which codified all existing provisions granting preference to veterans in the Federal service. However, rather than granting additional benefits to veterans, the Veterans' Preference Act simply confirmed the regulations and practices in effect at that time. Section 12 of the Act is particularly significant because it provided that:
• The Commission's reduction in force regulations must give effect to the following four factors in releasing employees—(i) tenure of employment; (ii) military preference; (iii) length of service; and (iv) efficiency ratings. (The Act did not assign any relative weight to the four factors, or require that the factors be followed in any particular order.)
• Veterans with "good" or higher efficiency ratings must be retained in a reduction in force ahead of all other competing employees.
• When any of the functions of an agency is transferred to another agency all veterans who work in the transferring function must first be transferred for placement in positions in the agency gaining the function before the gaining agency can appoint additional employees from any other source to fill those positions. Under authority of the Veterans' Preference Act, the Commission in August of 1944 issued **Departmental Circular 500,** which provided for a new reduction in force system in which tenure was the primary retention factor and length of service was the least important factor.

In November of 1944 the Commission issued **Departmental Circular 510,** which is significant for incorporating the following two major concepts into the modern reduction in force system:
• A "competitive level" was redefined to include all positions in which employees could be reassigned from one position to another. (The older concept of a competitive level viewed the listing of employees primarily on a classification basis so that employees in positions with different titles were automatically considered not to be interchangeable for reduction in force purposes.); and
• The principle of "reassignment rights" between competitive levels was introduced.

The Commission revised Circular 510 in 1945, primarily to introduce major changes in computing retention credits for efficiency ratings. Under the **revised Circular 510,** the top rating of "excellent" was given a value of 5 points. (Previously, efficiency ratings had been valued at 80 points for "good" and 96 points for "excellent.") This change eliminated efficiency ratings as a major retention factor unless an employee received less than a "good" rating, and further increased the weight of seniority.

The development of reassignment rights is of particular importance. The 1944 Circular 510 provided that employees in like positions would be listed on a retention register in a hierarchy of three retention groups; each retention group in turn included four subgroups. Within the respective retention groups veterans were listed above nonveterans, and within the retention subgroups employees were listed in sequence based on their respective service date and performance rating. In a reduction in force, employees were reached for release beginning with the lowest-standing employee in the lowest subgroup, then to the next highest-standing employee, and so on. No employee in the highest retention group (which consisted of employees serving in permanent appointments) could be separated if the employee qualified for a position on another retention register which was:
1) in the same department;
2) in the same geographical location; and
3) expected to continue for at least one year.

Veterans in the highest retention subgroup were offered occupied or vacant positions before nonveterans in lower subgroups. This system of reassignment rights based upon subgroup superiority forms the basis for employee "bumping" rights which continue to the present.

In 1947 the Commission issued regulations that allowed employees to be reassigned to positions on another retention register that were held by an employee in the same retention subgroup if the position was the same as one from which the released employee had been promoted, and met the three characteristics covered above (same department, same location, at least once a year) to establish bumping rights. This system of reassignment rights set up a limited form of bumping within the retention subgroup and later became known as "retreat" rights.

The new reduction in force system was immediately tested as the Government scaled down its workforce following World War II. In 1939 the federal workforce consisted of 936,000 employees. By 1945 the federal workforce had in-

creased to 3,786,000 employees, but by 1950 the number of employees had declined to 1,934,000. During the Korean conflict the federal service grew to 2,532,000 employees in 1953 and later shrank to 2,240,000 by 1960 following the post-war reductions of the middle 1950's.

From the late 1940's to the early 1950's the reduction in force procedures gradually underwent additional changes, particularly the provisions relating to reassignment rights, tenure groups, and outplacement efforts. (For example, in 1947 reduction in force reassignment rights were broadened to include positions expected to continue for three months or more rather than for one year or more, as previously provided). Then, in 1953, the Commission issued regulations that limited bumping and retreat rights to a single installation (i.e., "competitive area") rather than throughout the commuting area in which the department was located. This change reduced employee dislocation when a department had more than one installation in a single geographic area.

The importance of veterans preference also increased as a retention factor, mainly because of the large numbers of returning veterans who went to work for the federal government. For example, in early 1945 approximately 12% of the federal workforce were considered veterans for retention purposes. By 1948 approximately 40% were veterans; 50% in 1955, and 52% in 1960. (At present approximately 48% of the federal workforce are veterans.)

The next major revision of the reduction in force procedures came in the early 1960's. In 1960 the Commission issued **Supplement No. 2 to Departmental Circular 740** covering the application of the reduction in force regulations in a transfer of function. The Supplement was designed to reduce agency problems in determining where the transfer of function provisions of the Veteran's Preference Act apply. These procedures are found in OPM's regulations and the Federal Personnel Manual. Then, in 1961, the Commission approved a general revision of its reduction in force regulations including the following changes:

- The assignment provisions were broadened by giving agencies the specific right to fill vacant positions by a reduction in force action.
- Employees were now ranked using their service date rather than on a point basis.
- An employee with an "outstanding" performance rating received 4 additional years of retention credit.
- Agencies were required to give employees 5 days specific notice before taking a reduction in force action; this period could be included in the existing requirement of 30 days total minimum notice.

Although the Federal workforce increased by approximately 300,000 employees between 1960 and 1970, the reduction in force procedures were needed in the reorganization of the Department of Defense during the mid-1960's. The only significant change to the reduction in force system during this period resulted from **Public Law 88-448** (the Dual Compensation Act of 1964), which limited the conditions under which an employee who is receiving retired pay from a uniformed service may be considered a veteran for retention purposes.

In 1978 **Public Law 95-454 (the Civil Service Reform Act)** amended the reduction in force provisions by providing that a veteran for reduction in force purposes with a compensable service-connected disability of 30% or more is entitled to:

- Be retained over other veterans in reduction in force competition; and
- Receive automatic consideration by the Office of Personnel Management (OPM) if the agency finds that the employee is not able to fulfill the physical requirements of a position to which the employee would otherwise have been assigned under the retention preference regulations.

During 1979 and 1980 OPM issued new regulations to communicate other changes that resulted from Public Law 95-454. This project was also undertaken to revise the reduction in force regulations and to update and simplify existing material. The new regulations covered:

- How to establish reduction in force tenure groups for new managers and supervisors.
- How to use new performance appraisal systems in the determination of reduction in force retention standing.
- Clarification of the reduction in force assignment rights of full-time employees to other-than-full-time positions.
- Clarification of the transfer of function provisions.
- Clarification of how agencies determine the retention standing of employees receiving military retired pay.
- How to establish reduction in force competitive levels for managers and supervisors covered by the new merit pay system provisions.
- Clarification of how reemployment priority lists are established and maintained.
- Clarification of how agencies determine the retention standing of employees in trainee and developmental positions.

In 1981 OPM issued a revised Federal Personnel Manual Chapter 351 which incorporated the revised reduction in force regulations in the basic guidance to agencies. The new chapter was designed to further simplify and clarify the reduction in force system. At the same time OPM geared up to assist agencies that are faced with possible large-scale reductions or reorganizations.

OPM is presently reviewing the reduction in force system to determine whether any additional changes should be made in the retention procedures that are applicable to most Federal employees. Experience with the latest wave of cutbacks will result in another chapter added to the long history of reduction in force in the federal service.

Thomas A. Glennon is a personnel staffing specialist with the Staffing Group, OPM.

A CHECKLIST FOR MANAGING CUTBACKS

By Harold I. Steinberg

Introduction

As a result of the rapid growth of government programs in the past two decades, senior federal managers have accumulated a wealth of experience in establishing new agencies, expanding programs, and increasing the scope of federal activities. Today, however, many of these same officials are faced with challenges of a fundamentally different nature.

Following Congressional approval of restrictive budget and program initiatives, many federal agencies are now being required to accommodate major permanent budget reductions. Not since the winddown of emergency governmental machinery after World War II have government-wide reductions on a comparable scale been imposed. Many agencies consequently lack direct experience in handling the unfamiliar demands, pressures and problems that such widespread retrenchment entails.

Veteran federal manager Dwight Ink has gained recent first-hand experience in directing the closeout of a sizable federal agency, the Community Services Administration. Shortly after CSA closed its doors, on schedule, on the last day of fiscal year 1981, Ink suggested that the Office of Management and Budget might provide a useful service to officials faced with comparable assignments in the future by circulating checklists of matters that must be attended to in major cutback or closeout situations. I had to agree with him.

Over the past few months, OMB management staff developed a set of guidelines that might help managers facing major cutback requirements. Drawing liberally from the rather sparse public administration literature on the subject, from interviews, and, most important, from the experience of individuals with knowledge of specific cutback management tasks and requirements, two checklists were compiled.

The first, covering the planning needed when substantial cutback requirements have been imposed, follows. It assumes that managers have some flexibility as to how the reductions may be absorbed.

A second checklist, for implementing retrenchment plans by identifying specific actions to be taken once cuts have been targeted on particular programs, organizational units or facilities, is available upon request, from OPM. Many of the implementation guidelines in the second list are uniquely applicable to organizations that are being abolished entirely, rather than merely reduced in size or scope.

The two checklists are similar in several respects. Neither can be regarded as complete; their general guidance must be adapted to each manager's individual style; and their purpose is to contribute to the orderliness, timeliness and fairness of reductions that have been imposed through the political decisionmaking process. The guidelines are not meant to suggest independent initiatives by agency managers, and, emphatically, neither should be regarded as official guidance from OMB or any other agency.

Management Framework and Approach

A The agency head should designate a politically accountable official who is in a position to provide continuing leadership and take responsibility for achieving cutback requirements in a timely, orderly fashion. This individual must be fair, tough-minded, and able to make hard decisions and then "take the heat."

B Establish, in advance, measures to assure a professional, sound and legal approach to arriving at specific cutback decisions. Assure that subordinate mana-

gers and employees know that they will be held accountable for specific results measured by such signs as objective options development, defensible recommendations, open communications and specified appeal routes.

C Involve the constructive support of both policy officials and career managers and staff. Consider back-up teams and cross-cutting mechanisms to provide depth, coordination, and responsiveness to the effort. When internal expertise is insufficient or unavailable, consider bringing in support from other agencies or private sources. Such "outside" assignments should provide temporary, expert, and impartial assistance to supplement, not replace, duly authorized decisionmaking. In particular, the personnel office should be called upon to provide advice on rules, regulations, and options. Use OPM's training courses in RIF procedures and coping with cutbacks.

D When possible, emphasize positive purposes for the cutback requirements. Staff can be expected to cooperate more willingly for constructive purposes—e.g., cutting back to a smaller but still vital program that will more effectively serve carefully targeted needs. Most employees realize that an agency's performance and efficiency can always be improved.

E Encourage the active cooperation of agency employee organizations. Union contracts that constrain flexibility should be read carefully when preparing strategies in order to avoid later grievance, arbitration, and legal problems. To the extent feasible, bring union leadership into the cutback planning process.

F Determine timing and extent of consultation with pertinent congressional committees and key interest groups. Consultation both before plans are completed and after decisions are made can provide useful insights and information, and elicit understanding and support.

G Assure that the organization's chain of command is centralized and tight enough to assure responsiveness to cutback decisions without delay, resistance and political gaming.

H Carefully select the subordinate managers who most appropriately should carry "bad news" to operating elements and employees ultimately affected. They should be perceived as honest and concerned, have no ulterior motives, and have enough authority to smooth out problems as they are identified.

General Cutback Strategies

A Identify the extent to which mandatory cuts leave areas of discretion and flexibility that can be used to help cushion or absorb the reductions.

B To the extent flexibility exists, consider whether cutbacks should be made across-the-board, through targeted cuts, or a combination of both. Is it better, for example, to cut five programs by 20 percent each, or one of them by 100 percent?

C In assessing the merits of across-the-board cuts, consider whether the effects of cuts would in fact be shared equally. Would some small units or programs be so reduced that their mission accomplishment is threatened? Should programs that were recently cut back be again included in a new across-the-board reduction? Keep in mind that repeated across-the-board decreases can lead to unknown cumulative outcomes "down the line" and eventual loss of management control and program effectiveness.

D Compare the potential savings from RIFs vs. those possible through furloughs, attrition, hiring freezes, adjusted plant and capital expenditures, overhead costs, etc. Note especially that RIFs are costly in the short term because of outlays for severance and accumulated leave pay, so that the time remaining in the fiscal year is a critical factor in evaluating potential savings from RIFs. Consider terminating temporary employees or furloughing full-time, permanent employees before resorting to reduction in force.

E Consider whether planned administrative or maintenance expenditures can be delayed, reduced, or eliminated. Can rented space be tightened up and reduced? Can assets be sold to reduce operating costs? Carefully determine how much administrative services (personnel, budget, travel, ADP, etc.) can be cut back before vital support to programs is unacceptably impaired. Involve program managers in this assessment when feasible. This effort should not be limited to administrative operations but should extend throughout an agency to eliminate unnecessary layering of units, operations and jobs (e.g., deputy, assistant, and "assistant to" positions).

F Look for programs that can be reorganized and consolidated so that the same functions are carried out with less staff and lower overhead. Can field offices be closed down or consolidated? Decentralization of headquarters authority, which often permits drastic cutbacks in red tape and costs, should be considered. Call upon organization and resource management staffs for advice and assistance in these areas.

G For targeted program cuts, anticipate managerial debate, conflict, even leaks and court challenges. Emphasize professionalism and reward positive attitudes where possible. Be prepared if necessary to discipline willfully obstructionist managers, but encourage candid discussion of different ideas on how best to carry out approved reductions.

H Consider how participative the targeted cut decision-making process should be. Management by consensus can help in the cutback planning process by eliciting cooperation and obtaining ideas on how to comply

with the least cost and disruption. However, this approach means managers will be directly involved in key decisions over dismantling their own programs, a situation that could prove awkward, divisive, and a potential conflict of interest. The key is first to establish 1) that the cutback policy decision has been made and 2) the date on which it is to be completed, so that the managers' expertise is focused on effective implementation rather than on debating the wisdom of the policy decision.

I Both "winners" and "losers" should be included in the planning, so that declining programs are encouraged to be productive and involved as they reduce their activity and so they will be more inclined to accept new assignments.

J Work with OMB to assure that the cutback requirements are clear and that the degree of flexibility in timing, areas covered, personnel ceilings versus dollars, etc. is mutually understood.

K Envision the resulting operation once the cutback is completed. In a cutback situation, reorganization may add little additional turmoil. Keep managers focused on output measures that make a difference to the public (e.g., benefit checks sent within three weeks) rather than strictly input measures (such as dollars, personnel, contracts, etc.). Successful cutback often means finding a workable balance between minimal input and adequate output.

L Encourage managers to exercise flexibility and creativity in assigning work. Avoid stereotyping people and adhering rigidly to established patterns. Imagination can be the key to achieving cutbacks without damage to people or programs.

Mission and Program Reviews

A Determine which activities are mandated by law and must be carried out unless the law is repealed. Flexibility often exists in *how* and *to what degree* such mandated functions are carried out. On the other hand, some authorizing statutes may specify operating procedures in detail, presenting real constraints on cutback management. The importance of non-mandated activities should be categorized based on objective criteria.

B Determine which activities the organization does best and which it does less well. Activities with perennially poor records may be relatively more expendable in the harsh light of severe cutback requirements.

C Review the time-honored functions that have not undergone close scrutiny in recent years to identify any opportunities for cutback based on obsolescence, changing priorities, etc.

D Simplify organizational layering, particularly after various cutbacks are taken. Existing review levels in Washington or the field may not be necessary.

E Production operations that are susceptible to unit cost measurements can be examined to isolate and eliminate sub-units with low output that contribute to high unit costs.

F Programs that serve a relatively small or less critical clientele may warrant a lower priority for retention.

G Avoid immediate or near-term reductions that will lead to long-term problems and higher future costs. Certain staff or "overhead" functions, for example, may be critical to overall productivity even though not directly involved in line production.

H Where possible, services should be contracted out to the private sector at less cost to the government. (See OMB Circular A-76 for guidance.)

Employee Participation/Assistance

A Employees should be asked to suggest candidate programs and ideas for reduction. Consider use of financial awards for suggestions leading to significant savings.

B Management should discuss resource problems with employee groups and unions to the extent possible and as required by consultation and reorganization obligations or agreements. These organizations should be encouraged to work with management to achieve economies, since the alternative may be disruptive RIFs or layoffs.

C Ensure that the personnel system and employee relations practices can handle the severe additional burdens of RIF procedures, counseling, personnel communications, negotiated agreements, discipline, etc.

D Determine resources available and legally usable for outplacement assistance. Anticipate that the personnel office will be under unusually heavy pressure in meeting cutback requirements. Consider outplacement task forces of line managers who may have "networks" of specialists not available to normal personnel channels.

E Anticipate employee apprehension over job security and develop a communications policy that is sensitive to the eagerness for valid information. Release information quickly and fully so that it may be communicated by supervisors or other official channels *before* it can circulate in distorted form through the "rumor mill" process.

F Establish rumor control mechanisms to dispel false information as it erupts and to bring the rumor level to management attention as a measure of the underlying morale and productivity of the agency.

G Ensure that program and personnel decisions, once made, can be quickly and decisively carried out with careful attention to procedural requirements and with timely notification.

Harold I. Steinberg is Associate Director for Management, Office of Management and Budget.

A copy of the second checklist may be obtained from the Office of Public Affairs, OPM Attn: Management

The Ten Stages of a RIF

By Robert J. Heaston

Reduction in Force has a terrible sound to it. Even the acronym, RIF, has an ominous ring. Unfortunately, the word is being heard quite frequently these days. It is a sound that comes and goes in cycles.

I have been "RIFed" more than once in my Government career; it is a very difficult and frustrating event to experience. I worked on Air Force Project HEF that was cancelled; for the Chemistry Office of the Advanced Research Projects Agency that was abolished; for the European Research Office in Frankfurt, Germany, when it was closed down and moved to London, England; and for the Army Research Office in Arlington, Virginia, which was closed down. I took a reduction in grade once, and only two of the eleven positions that I occupied over the years are in existence today.

During a party closing down one of my former offices, my colleagues helped me to facetiously define ten stages we had gone through during our reduction in force. Since then I have seen these stages repeat themselves over and over. They are worth passing along. Following you will see a summary of the ten stages of a dying office or organization. Every example actually happened. Some recommendations are offered to preserve your sanity.

Stage One: ***Decision shock***

Nobody is quite prepared to be told that he or she is not needed anymore. It is worse when a group is told: "Project Infinity is herewith terminated," "The Division of Requirements is no longer required," or "The Permanent Facilities Agency is to be moved 3,000 miles away." Shock at the decision literally and physically overwhelms everyone. For days on end, the only subject at the coffee breaks is, "They didn't, really!" There is a certain masochistic relief at knowing that Stage One has been reached. Nothing is more demoralizing and promotes inefficiency so much as the uncertainty of not knowing whether or not you are going to be RIFed.

Stage Two: ***"Let's You and Him Fight the Decision"***

After recovering from the initial shock, the first reaction is, "I'm not going to take this sitting down." The natural instinct is to get someone to fight the decision. Unfortunately, it usually turns out that the decision was made too far up the line to reverse the process. It is nearly always a joust with futility. If anyone is to fight the decision, someone else should play the game of protesting: You are too busy trying to find another job.

Stage Three: ***Push the Panic Button***

Panic! Panic! Oh, the panic! Some people, usually not too many, make a change almost as soon as the decision is made. At first, the early-outers are considered as panicked deserters. The paradox is that the people who leave quickly often come out smelling like the proverbial rose. That is the sickening aspect which haunts and torments those left behind. "I'm going to stay with this sinking ship until I do as well as the first rat who deserted it." Even those who are eligible to retire, but had not planned to, are forced to make decisions that they had been putting off. Everything is rushed.

Stage Four: ***The Vultures are Circling***

As the word spreads about the demise of your operating license, the environmental heirs start dividing up your property. "Since you're leaving, you don't need that corner office ... the supply room ... the duplicating machine ... the conference room ... and by the way, when are you departing?" It is not the time to schedule any lengthy trips, unless you leave the lights on and keep work piled on your desk. It is also advisable to call daily to see if your phone is still hooked up.

Stage Five: ***Paranoiac Fantasy***

It is impossible to avoid some personal recrimination. "Why did they do this to me? What did I do to merit this?" Even the secretary to the six-man staff of the Office of the Assistants to the Assistant Director wonders what she did wrong to cause the loss of the jobs of the other 5,000 people in the organization. "I have always done a good job. Why do they have to pick on me? It is a Communist plot. My boss just wants to get rid of me. Reduce defense spending and give me my job back." It is hard not to feel insulted, embarrassed and demeaned when you are asked to take a reduction in grade. You lose confidence in yourself. Your ability has been questioned. You will forever be tainted with the mark: RIFed.

Stage Six: ***The Demolishers***

Close on the heels of Stage Five come anger, conflict and distrust. Those who stoically accept the decision and in good faith try to bring things to an orderly finish often meet with disdain. Late arrivals on the scene, who incidentally are

moving on with the office, are held in greater contempt. They are the demolishers. At this point, tempers often flare. Even old friends may argue and display feelings which are totally unjustified. Tears come easily. Reliability and competence displayed over the years are forgotten. The suffering at this stage often leaves a permanent trace of bitterness. "I will never work for the Government again." "I do not want to work for or with him again." "This agency is no good." This lingering after-taste is the real tragedy.

Stage Seven: ***"Where's All that Assistance?"***

For years, other offices and departments have gladly helped you. If you are a supervisor, your subordinates who laughed at your jokes, who marveled at your intelligence, are not to be found. How lonely life is now. It is almost as though you have some terrible contagious disease. You have to type your own job applications. Friends disappear. Supplies dwindle. Services diminish. Just when you need help more than at almost any time in your life, you have nothing to offer in return. You are even too bitter to be thankful. This lack of support has to be accepted early. You find out very quickly that not many people will come to your rescue. Nor will you receive much sympathy.

Stage Eight: ***Planned Deterioration***

How does one measure the efficiency of a worker in an organization that will stop operating in six months? This is especially difficult because efficiency is decreasing exponentially with time under these circumstances. You have to be preoccupied with finding a new job. If you are just waiting for the new job to arrive but your workload has already decreased, you have time to make such observations as these: Why should I slave? What good does it do to run up sails when the bow is already under water? It is also quite true that people observe other people more during the last days than earlier. As with a drowning man, all life seems to flash by in retrospect. How unfortunate, too, because at that point performance in terms of the old mission is so poor. On the other hand, performance to close up shop and find a new job is at a peak of effectiveness. People are really quite busy, but not in terms of the formal job description.

Stage Nine: ***Disinterested Disintegration***

It is moving time. It is a time for going away parties. Everyone is "short." Perfunctory farewells greet you at every turn. Nothing productive to the organization is done. Only individual objectives are meaningful. Few fail to experience some nostalgia at this point. Some people just steal away and are gone. They say that they could care less—but they do.

Stage Ten: ***Afterthoughts***

More often than not, there comes a day when someone says: "Why did we make that decision?" Of course, it is too late. The decision was wrong and those who fought the decision have a slight feeling of, "I told you so." But, there is nothing that can be done about it now. A new cycle has started. There may even come a time when you think to yourself, "Maybe they did the right thing after all."

It is not necessary to experience all of these stages personally. Nevertheless, there will be plenty of opportunities to watch others suffer. If you are aware of the ten stages, you will be even more perceptive. A word of warning might be offered, however. You must exercise your perception without being caught in the whirlpools of emotion swirling all around you. Three recommendations for non-involvement are offered:

1. Remain calm in the midst of confusion. Do not get angry, no matter what. The fact that you are reserved will raise some friction, though. People will regard your smugness as a sign that you already have a new job. Do not act on any rumor. Find out for sure that there is a RIF and that you are affected. The person who makes the decision to RIF you probably will be retaining his job and will be embarassed to tell you. Your pride will keep you from finding out for sure. All conditions add up to the fact that you will be the last to know.

2. Keep your faith, but look out for yourself. All of the system that you once took for granted must be watched carefully. You must follow-up on everything that you want to produce a prescribed result. Devote every resource you can to finding a new position and tell your plans to no one. Help others, but do not be surprised if the people who are your references apply for the same job.

3. Remember the good old days. There will come a time when the struggles and frustrations will pass. Except for a few hoarders of bitterness, almost everyone will look back with exaggeration on moments you shared with friends. It is surprising the fondness with which you will recall, "How I went from a GS-14 to a GS-4 in the cutbacks of '82." You will survive.

Dr. Robert J. Heaston is Technology Manager for Weapons Systems on the Army Staff in the Pentagon. During his 25-year career with the government, his position has been abolished five times. During one RIF, he was interviewed by 52 different people. Later, he realized that only three of those people could make a decision to hire anyone.

The views of the author do not reflect the position of the Department of the Army or the Department of Defense.

Why Your Boss Makes You Feel Stupid

By Fred E. Fiedler

Ever had a boss for whom you couldn't do anything right? In such a stressful situation, you can't use your intelligence to solve problems creatively. But you can change the boss's behavior.

A nice word from the boss usually makes us feel good and increases our esteem and self-confidence; a nasty comment or a derogatory evaluation can throw us into the dumps.

The boss controls your comfort and your future in the organization. It is almost impossible to be promoted unless your boss recommends it. In many cases your chances for getting another job depend on your boss's good recommendation. Not surprisingly, some bosses can give subordinates ulcers, high blood pressure, and other psychosomatic problems.

But the boss does more than influence your emotional well-being; the boss also affects your ability to think well. A boss can make you seem either stupid and ignorant, or bright and creative. Since your ability to adjust and survive in your work organization has broad implications for your health and well-being in a more general sense, this is a problem of some consequence.

In some cases the boss may be mean and sadistic—somebody who really wants to show you that you're not all that good, that you are dependent on his assistance and support. In most other cases it's just that the boss himself doesn't know how the job is to be done. But he wants it done *yesterday*.

This type of stress puts you in a double bind. You are not told what you're supposed to do, but you *are* told that you aren't doing it well. You are told that you should produce more, but not what it is you're supposed to produce, or how to do it. Unfortunately, situations like this are far from rare; and they take a toll. Who hasn't been faced with a teacher or a boss capable of turning you into a babbling imbecile and making you feel "dumb"—for whom you just can't do anything right? This happens when we are under stress, when we somehow can't feel comfortable with the person for whom we are working.

The effects of such stressful relationships show up quite clearly in a number of studies done by my associates and myself. Much of our work was conducted in military situations which permitted us to study a relatively large number of leaders or managers in very similar jobs who were in charge of almost identical groups. Our sample included 158 Army infantry squad leaders; 130 Coast Guard officers, petty officers, and civilians in responsible staff positions; 45 Army company commanders; and 47 battalion staff officers.

In all of these studies we obtained intelligence scores and asked the men how long they had been in the service (that is, how much experience they had in their organizations.) We asked their supervisors to evaluate their performance; and we asked the men to tell us how much stress they perceived in their relationship with their immediate supervisor. Interestingly enough, those who reported high stress levels performed as well as those who reported that their relationship with the boss was relatively free of stress.

Unleashing the mind. However, when we divided the group into those who reported low stress with their boss and those who reported high stress with their boss, the results were even more interesting. When stress was low, the leaders who were intelligent performed better than those who were less intelligent—they utilized their intelligence on the job. However, when stress with the boss was high, the leaders who were bright performed no better than those who were less bright.

Even more interesting, among those who held staff positions—that is, the Coast Guard officers and petty officers—stress with the boss appeared to prompt misuse of their intelligence. Those who were bright performed even less well than their intellectual inferiors. In other words, intelligence actually seemed to decrease their performance, especially on intellectually demanding tasks.

One of my associates, Donald Borden, conducted a large validation study of 412 officers and noncommissioned officers of an infantry division in order to check these findings. The general findings were the same. When stress with the boss was low, officers and NCOs were able to use their intelligence on the job. When stress with the boss was high, intelligence

did not contribute to performance.

On the other hand, those with more experience, as measured by time in service, again performed better than those who were less experienced—but only when there was a stressful relationship with the boss. Under low stress, the more experienced people performed neither better nor worse, on average, than those who were less experienced.

Routine response. Our findings suggest that stress with the boss causes people to fall back on routines, overlearned behavior patterns, and rather stereotyped solutions. Only when there was relatively little stress [illegible] people in our samples seem to use their heads, to think up new and creative solutions which contributed to their job performance.

The findings were quite similar in a study of Coast Guard cadets. Valerie Barnes, Earl Potter, and I compared the performance of Coast Guard cadets who reported stress in their relationship with other cadets, with their commanding officer, with faculty, with parents, and in the academic environment. We found that their intelligence test scores—on the Scholastic Aptitude Test (SAT)—did not correlate with their grade point averages when these cadets reported stress with peers or the commanding officer. However, when stress with peers or the commanding officer was low, the SAT scores correlated very highly with performance in academic work. (Stress with parents, with faculty, and in the academic environment had little or no bearing on how these cadets used their abilities.)

These results have some very important implications for everyday life. Stress with the boss can make you seem unintelligent; it can make you look dull and incompetent. Only when stress with the boss is relatively low can you "use your head" and shine intellectually. A stressful relationship with your boss can, therefore, be dangerous to your career as well as to your ability to cope with the job.

Manage the boss. You obviously cannot always choose your boss or the relationship that will develop with your supervisor. Some bosses are [illegible] to keep their subordinates in a constant state of turmoil. But if you are bright, you are not completely helpless. Here are some guidelines to help you change the relationship and make better use of your intelligence:

1. Stress with the boss is generated in its most virulent form when he makes a lot of demands of you but fails to give you support in solving problems. Ask for the most detailed information possible. Most bosses will respond to a plea which indicates that you really want to do a good job, but you don't have enough information. Identify the standards your boss demands and the specific conditions under which the job should be done—the milestones which will tell you that you're proceeding on the right road.

2. For most people, the single most effective method for reducing any behavior of a boss that generates stress is behavior modeling. Everyone likes to be admired. Everyone likes praise and the approbation of others. The individual who finds that his boss is stress-producing must learn to follow the basic rules of behavior modification developed by Skinner. The principles are easy enough:

- Carefully watch for the [illegible] behavior you want to see in your boss; this may be a more pleasant and relaxed manner, a more approachable and friendly attitude, a willingness to explain, or a gesture or action to help you understand what it is the boss wants you to do.
- When this behavior or action occurs, show your appreciation and praise your boss. Bosses, too, are often hungry for praise and rewards. Say, for example, "You know, I really appreciate the trouble you took to explain this job to me. It makes my job so much easier." This is not flattery. It is merely rewarding your supervisor for doing the right thing. It is no different from rewarding your subordinates for good performance or for acting the way you want them to act. Obviously, you cannot expect behavior to change overnight. But three or four responses of praise and thanks might well induce a marked change in most people.

3. You might also seek some training in managing your own stress. Courses of this type are offered in most communities; and, in many cases, some stress-management training can be self-taught. Ask yourself why you respond in such a stressful manner to your boss. What kinds of images do you have in your head? Do you really have a realistic picture of the boss, or is it something you carry over from your own past? One way to handle this type of stress is to determine in advance how you will respond to the boss's demands or, perhaps, to imagine the boss as a lamb or a friendly, but harassed, dog rather than as a fierce and dangerous tiger.

To some extent, your ability to use your intelligence depends as much on the organization as it does on us. When someone tells you to "use your head," it might mean that you are distracted, didn't get to bed until dawn, have been preoccupied about your love life, or are just lazy. But it might also mean that the work situation has rattled and disadvantaged you to the point where your ability to use your head has been temporarily diminished. If that's the case, it is your responsibility to find remedies.

Reprinted with permission from Industry Week, January 11, 1982

The Right Way to Employ Consultants and Experts

By Thomas O'Connor

Are consultants good? . . . Are consultants bad? . . . Stories and anecdotes abound. Congressional hearings and GAO studies have disclosed extensive information about the role of consultants in government. Committees in the last two Congresses have considered bills to reform the use of consultant services. From the executive suite, national magazines, and the TV news come countless tales of supermen and villains. The answers probably lie somewhere in between, but we will not try to settle those questions here.

As with other agency actions, much of the responsibility for the successful use of consultants rests with management itself. Is the problem or task clearly defined? Is the assignment well thought out? Does the work to be done really call for a consultant? Is the person chosen qualified for that task? Can it be performed by short-term or occasional services? Does management keep in touch with the work in progress and evaluate the results? Is the product useful?

Strengthening government accountability and efficiency are primary objectives of this Administration. Holding agency managers accountable for the proper use of consulting services is essential to making sure the American taxpayer gets the full benefit for every dollar spent. Agency managers will want to know they are getting the best return for their tight budget dollars. Estimates of total annual federal spending for consultants range from hundreds of millions of dollars to nearly 4 billion dollars, depending upon the definitions and types of consulting services counted. We want to provide a primer for agency managers on the proper employment of consultants and to shed light on the do's and don't's surrounding their use. We will also explain how the Office of Personnel Management fits into the picture.

Federal agency managers have two ways of acquiring consulting services, either by employment or by contract with private firms or individuals. The general authority to hire consultants as Federal employees is section 3109 of title 5, United States Code. Contracting for services is under the procurement laws in title 41, and, for the Department of Defense, title 10.

The employment of outside consultants and experts for intermittent or temporary periods is a long-accepted practice in private business and government. When properly used, their employment offers a normal, rational, and legitimate way to improve government programs, operations, and services. By bringing their specialized knowledge, talents, and insights to bear on new or unusual problems, these individuals can help an organization function more economically and effectively. Because the service they provide is unique and because the length of their service is often short and uncertain, they usually are not subject to the same employment procedures as permanent personnel. In the federal civil service, Congress has authorized exceptions from normal employment requirements for consultants at least as far back as the 1880's.

The Office of Personnel Management's responsibility is limited only to employment of consultants. The Office of Management and Budget (OMB) is responsible for setting procurement policy, including policy on contracting for consulting services. OMB Circular A-120 on consulting services sets definitions, basic policy, internal guidelines, internal management controls, and data reporting requirements for agencies. The Circular requires agencies to justify each consultant service contract in writing, award contracts competitively to the maximum extent possible, warn contractors concerning conflict of interest, and monitor performance.

Most of the public attention concerning consultants falls on the procurement rather than the employment side. For more information about securing consultants through procurement contracts, agencies should review Circular A-120, the procurement laws, and the appropriate code of Federal regulations. Managers should contact their agency contracting officer.

What we are talking about here is the appointment of a consultant or an expert which creates an **employer-employee relationship** governed, except for certain exemptions, by the same personnel laws and regulations that apply to other Federal employees. For brevity, we generally will only refer to consultants but it should be understood we are referring to experts as well. There is one very important difference between an expert and a consultant—an expert is employed to do specialized operating work while a consultant serves as an adviser.

When authorized by an appropriation or other statute to use section 3109 of title 5, agencies may hire a consultant or expert for temporary (not to exceed 1 year) or intermittent services. Virtually all agencies have statutory authority to use section 3109. A few agencies have authorities similar to but independent of the section.

Section 3109 excepts appointments made under it from those civil service personnel laws that require competitive examinations, classification of positions, and General Schedule pay. This means candidates do not have to take OPM examinations or be reached at the top of a list of eligibles. Their assignments do not have to be classified against OPM position classification standards, and their salaries are not fixed by a particular General Schedule grade. These exceptions are permitted by law in order to give agencies, like their private counterparts, the freedom necessary to quickly place high caliber staff in special assignments for brief periods of need.

The section places a lid on pay that generally is the top daily rate for grade GS-15 or GS-18 depending on the job. According to recently adjusted pay scales, a consultant may not be paid more than $221 for each day worked. Each agency de-

cides what it will pay, subject to the daily rate cap. OPM recommends that pay be commensurate with the work to be done, the consultant's skills, and the labor market. Only about 20 percent receive the top rate; prior to the recent pay adjustment, most earned $140 a day or less.

Section 3109 states it may not be used as authority to fill Senior Executive Service positions. It is not appropriate to make consultant assignments to policy making or managerial positions.

Managers may hire consultants to get specialized opinions unavailable in the agency or in other agencies; outside points of view; advice on latest developments in industry, university, and foundation research; opinions of noted experts with national or international prestige for especially important projects; and specialized skills that are not needed continuously.

Consultants provide advice and assistance in a wide variety of program areas. At Health and Human Services, which uses the largest number of consultants, they serve as individuals or advisory committee members in the cancer, infectious disease, health care, food and drug, mental health, and drug abuse fields. At other agencies, they make contributions in environmental protection, air and space, defense, and education. Many consultants are medical doctors or professionals in the hard or life sciences. Others are specialists in management or administrative matters.

According to the latest monthly data provided by agencies, 5,336 served during September 1981. Nine out of 10 worked on an intermittent basis, that is, irregularly or occasionally. Of those serving intermittently, some work only 1 or 2 days in a month, and others may not work for several months at a time. A breakdown shows 895 were experts, 2,300 were consultants, and 1,892 were advisory committee members. Because of the nature of advisory committee work, most members also could be counted as consultants. While we have not collected data long enough to identify permanent shifts, the number generally has declined monthly since September 1979, when 7,431 were reported. The decline appears related to the overall decrease in consulting services resulting from budget cuts mandated by OMB and the Congress, and from hiring freezes.

The Office of Personnel Management has responsibilities for the administration and enforcement of the civil service merit system laws including competitive examinations, job classification, and pay. OPM has no role to play in deciding when an agency will choose to use a consultant or in placing consultants in agencies. Agency heads have the appointing power.

However, as part of its general responsibility for reviewing each agency's personnel management, OPM does monitor agency employment of individual consultants to assure that the appointment authority is not used to circumvent the merit system through improper exceptions.

The authority must not be misused through actions contrary to the terms and conditions of section 3109. For example, it is wrong to use the authority to fill continuing jobs that really belong in the career service and should be filled through the competitive examining system. It also is wrong to use the authority to bring persons on board solely in anticipation of giving them career or Schedule C appointments, to do works that can be done by regular employees, to avoid competitive examination requirements, and to get around General Schedule pay grades. Improper use of the authority with its exceptions is both illegal and wasteful.

Our evaluations at agencies show the majority of individual consultants hired are qualified, serve briefly, and otherwise represent proper use of the authority. While we found no recent evidence of widespread misuse, we did find individual instances of improper actions.

To assist agency managers, in January 1982 we updated our instructions in chapter 304 of the Federal Personnel Manual which describe the conditions and requirements affecting consultant employment. Managers should contact their personnel directors for advice and assistance on OPM and agency policies when they are considering hiring a consultant.

To help assure these appointments are made properly we have asked agencies to police their own activities through:

- certification at time of appointment by a high agency management official that the candidate, position, and other particulars are appropriate,
- periodic internal reviews to see that employment still is proper and that the 1 year or intermittent limits on service are observed, and
- annual communications in every agency from top management to lower echelons explaining the special purpose and limitations of the authority.

In short, it is all right to use experts and consultants just as long as the requirements are observed.

Revised FPM Instructions

To help agencies do a more effective job managing experts and consultants who serve as Federal employees, OPM updated Federal Personnel Manual chapter 304. In the revised chapter, published in January, we have:

- clarified distinctions between employment and contracting;
- added references to oversight activities such as OMB policies, GAO decisions, and Inspector General evaluations;
- included statutory restrictions on conflict of interest, reemployed annuitants, and use of the 5 U.S.C. 3109 appointing authority for SES jobs;
- pulled together instructions from other OPM issuances on pay, leave and benefits for agency convenience; and
- incorporated pertinent material from Personnel Management Series Pamphlet No. 3, Employment and Compensation of Experts and Consultants, which is no longer in print.

Thomas O'Connor is a senior personnel staffing specialist in the Office of Policy Analysis and Development, OPM.

Political Activities and the Federal Worker

By Lynn I. Alfalla

Federal employees' political activity guidelines can be found in the Hatch Act of 1939.[1] The Act is usually viewed as a protective device to shield employees against unsolicited political coercion from co-workers and management. In turn, federal employees may not use their official authority to influence or affect any elections nor take active part in partisan political management or political campaigns. It should also be noted that political activity prohibitions must be observed at all times, on and off duty, whether employees are on leave, a leave of absence, leave without pay or furlough.

The Hatch Act covers federal employees of the Executive Branch and the District of Columbia. Employees excepted from the rule against active partisan political participation include only the following: (1) those paid from the appropriation for the Office of the President; (2) heads and assistant heads of executive agencies or military departments; (3) a presidentially appointed employee, subject to Senate confirmation, "who determine(s) policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws"; (4) the Mayor and the members of the Council of the District of Columbia or the Chairman of the Council of the District of Columbia self-government and Governmental Reorganization Act, its Commissioners or the Recorder of Deeds of the District of Columbia.

Certain municipalities where the majority of voters are federal employees or which are in the immediate vicinity of Washington, D.C. may receive partial exemption from the Act. Employees are limited, however, to participation in political management and campaigns for *local* office elections. An employee may *only* run as an independent candidate or participate on behalf of (or in opposition to) an independent candidate. Furthermore, employees active in local politics should not neglect their official duties or create a conflict or apparent conflict of interest. Employees are also responsible for checking their agencies' personnel policies on political activism.

Many times the factor that determines whether a certain activity is permitted under the Act is whether or not there is partisan or nonpartisan involvement. "Nonpartisan elections" generally are those in which no candidate running is representing a political party that received votes in the last presidential election.

Besides the Hatch Act prohibitions, federal criminal statutes impose restrictions on contributions to elections for federal office. Federal employees may not solicit political contributions from other federal employees or make political contributions to other federal employees. They may not solicit or receive political contributions in buildings where federal employees work.

If there are any uncertainties as to whether your activity is permissible or prohibited under the Hatch Act, you should direct your questions to—

The Office of the Special Counsel
Room 812
1120 Vermont Avenue, S.W.
Washington, D.C. 20419.

The phone number is (202) 653-7143.

[1] *53 Stat. 1147, codified at 5 U.S.C. §7321–7327*

The following checklist should keep you within the Hatch Act's prohibitions:

DO'S

- Free choice to register and vote
- Freedom to express opinions on candidates and issues without active participation in partisan political management and campaign
- Political buttons, stickers or posters can be displayed or worn, subject to work-related limitations
- Voluntary money contributions to political parties or organizations
- Political party or club membership and participation that doesn't include actual management of organization
- Attendance at political rallies, meetings, fund-raising functions, conventions and gatherings
- Participation in *nonpartisan* campaigns—either as a candidate or in support of (or opposition to) a candidate. If elected, you may serve in the office as long as it doesn't interfere with your official federal position
- Signing nominating petitions as long as you don't initiate or canvas for signatures, if they are for candidates in partisan elections
- Hold public office as long as it doesn't conflict with your federal duties
- Hold non-partisan positions such as election clerk or judge and participate in nonpartisan activities of a civic, community, social, labor, professional or similar organization
- Actively campaign for or against non-party affiliated issues such as referendums, constitutional amendments, municipal ordinances
- Petition your Congressman in writing to express your views on certain issues and on how he votes

DON'T'S

- Campaign for or against a political party or a candidate in a partisan election
- Make speeches for partisan political candidates or on partisan political questions
- Become a candidate in a partisan election or in an election for a national or state office
- Work at the polls for partisan candidates or political parties
- Distribute campaign material
- Hold office in a political club or party
- Sell tickets to political fundraisers, or promote these activities
- Solicit, receive, collect or distribute funds for political purposes
- Take an active part in managing the political campaign in a partisan election for public office or political party office
- Use your car to drive voters to polls on behalf of a political party or candidate in a partisan election
- Initiate or circulate partisan nominating petitions
- Endorse or oppose partisan candidates through advertising broadcasting or literature
- Serve as a delegate, alternate, or proxy to a political party convention
- Solicit votes in support of or in opposition to candidates in partisan elections, or candidates for political party office

Lynn I. Alfalla is a writer-editor in the Office of Public Affairs, OPM.

Manager's Reading Digest

Controlling Staff Work

Analysts, planners, advisors, and the myriad of other staff workers in U.S. industry who supply services in organizations have proliferated to a critical degree and their growth is considered by our foreign critics to be a "serious weakness and major cause of poor performance," according to Peter Drucker.

To help curb the growth of staff employment since the 1950's, Drucker offers some useful suggestions: 1) Limit staff to high-priority, long-term tasks rather than minor tasks which should be done by operations people (those in production, accounting, engineering, research, etc.). 2) Prune staff if their work requires more than three or four days work time per month of operating people. 3) Have staff give up an old task each time they want to start a new one. 4) Establish specific goals and objectives for effective staff work. 5) Don't place people in staff positions unless they have held a number of operating jobs—and proven themselves in those jobs. 6) Return people to operating jobs every five to seven years to avoid staff from becoming "behind-the-scene-wirepluggers." 7) Remember that the purpose of staff ultimately is to help improve the performance of operations people and the organization.

Drucker emphasizes that staff work only be a part of a person's career. He believes the arrogance of young people fresh out of school being placed into senior staff jobs "practically guarantees that they will be totally unproductive."

Drucker states that the end result of staff work should be more effective, more productive operating people" and that staff is "support for operating people . . . not a substitute for them." (*The Wall Street Journal*, 4/28/82) AG

PACE Exam Abolished

The Professional and Administrative Career Exam (PACE) has been abolished. The written test was the government's chief device for hiring entry level, white-collar grades GS–5 and GS–7 in over a hundred categories.

The exam was considered by many organizations representing minorities to be discriminatory and culturally biased. Abolishing PACE complies with the terms of a consent decree entered by the U.S. District Court of the District of Columbia, requiring that the federal government ensure that the percentage of blacks and Hispanics hired for professional and administrative careers be proportional to the number seeking such positions.

The PACE register of over 35,000 people who have passed the exam will no longer be used to appoint individuals to positions. New professional and administrative vacancies will be filled through internal hiring, interagency transfers and placement of persons affected by reduction in force. This approach is expected to benefit minorities because they are represented in greater numbers in the federal work force than in the general population.

Such placement methods, however, cannot provide candidates for all positions. Therefore, OPM plans to create a new non-competitive, excepted service appointment authority under Schedule B to fill GS–5 to 7 positions. Schedule B appointees could be eligible for appointment to the regular civil service at the end of a stipulated probation period. AG

Hayes and Abernathy Update"

Not too long ago, Professors Robert Hayes and William Abernathy of the Harvard Business School, flew in the face of conventional management wisdom with their views on the reasons for the decline in American industry (See *Management*, Winter 1981).

Long-accepted management theory taught that Japanese supremacy was rooted in lower labor costs, more automated and newer factories, strong government support and a homogeneous culture. Hayes and Abernathy disagree. They assert that the Japanese succeed because they stick to basics and do them well: they pay attention to a clean workplace, preventative maintenance for machinery, a desire to make their production process error-free and a commitment to quality at every stage in the production process.

American factories, in contrast, are sloppy, machines are overworked and abused, quality is viewed as a deterrent to lowered production costs, defects are ignored, and workers and management are adversaries.

American business leaders are taking the new gospel to heart. Abernathy's concept of the "productivity dilemma" has Detroit taking notes in light of sagging sales and a changed market. He finds the "dilemma" rooted in enormous pressures for cost savings, which lead to more efficient manufacturing techniques and which ultimately lead to standardization. This standardization comes at the expense of innovation and technological competitiveness.

Time and again American business has been making poor long-run strategic decisions, especially with productivity and technology. According to the Harvard duo, this approach is symptomatic of the basic problem in American management: neglect of the factory floor and assembly line and excessive concern for short-run profits.

Even though their theories have gained a wide following, Abernathy and Hayes remain somewhat discouraged about their impact. They are distressed by the seeming lack of urgency to attack their problems shown by American companies. Says Hayes, "What I see is a lot of form—sending people to productivity centers and making statements in annual reports. I don't see what's happening on the plant floor."

As Abernathy sees it, the challenge is to "get to important firms and turn them around and use them as role models. We're talking about a changing attitude. The question is, how fast can you turn that around?" (*The New York Times* 5/30/82.) EAS

Benefits Expanded

A Conference Board survey of 1300 companies has found 45 percent offering major health coverage—up 13 percent since 1973. Costs have increased 94 percent in that time period and companies have expanded coverage to keep up with inflation and competition. However, to offset some of the cost, some companies are asking their employees to pay the first $100 or 20 percent of the medical expenses.

Some examples of the expanded coverage: raising the medical limit to an average of $250,000—; in 1973, only 10 percent even went as high as $50,000—accepting unlimited surgical fees; adding mental-health and raising hospitalization coverage. (*The Wall Street Journal*, 2/23/82) LIA

The Menacing Workaholic

The "menace to society" is back in yet another identity—the workaholic boss. Management consultant Jack Falvey reports that putting a workaholic in a management position is divisive, both to the manager's staff and, ultimately, to the organization. All the attributes that go toward forming an effective management style—setting priorities, patience with others in order to gain their commitment, negotiating objectives and time frames for projects—are set aside while the workaholic boss works endless hours doing everything himself to make up for the shortcomings he perceives in others.

Because he feels no one can do work as well as he can, he sends negative messages to staff that make his opinion a self-fulfilling prophecy: shoddy staff work is the result. Rather than multiplying his efforts through effective delegation, he inflicts counter productive stress. Because he is continually sending out signals (such as working long hours, cutting off conversations, and lunching at his desk) that endorse his standard of behavior, he breeds resentment and kills creative contributions or commitments from employees.

Falvey emphasizes that this type of worker shouldn't be in a management position. Organizations should channel the workaholic's high energy level into staff projects where long hours and the need for detail are important—and where his contributions will be greater. The message for selecting officials is clear: "Don't confuse high energy levels with the brainpower necessary to produce results." (*The Wall Street Journal*, 5/10/82) LIA

Squeezed by Salary Compression"

Salary compression, the narrowing of pay differentials between job levels, is not confined solely to the executive and mid levels of government. As in government, pay compression problems in private industry intensify with steady and mounting inflation and take a toll not only on the profits of the company but also on the morale of its employees.

Traditionally, when an employee quit, a company could recruit and hire a qualified replacement at a lower salary. Due to inflation, the Sun Belt boom and shortages of skilled manpower, that situation has changed. To attract, retain and motivate workers, companies are finding that they must pay higher and higher salaries. This in turn drives up the salaries of current employees so that their pay is comparable to that of the high-priced newcomers.

Part of the problem is inherent in outmoded employment practices, contends Paul Muller, director of compensation consulting services for a midwestern management firm. Companies often make generous compensation offers without considering the consequences to the whole organization. As a result of hiring expensive new help while also hiking up the salaries of current employees, pay roll costs are often pushed beyond established job-evaluation levels and some employees are paid more than they're worth.

It is clear that as the baby boom continues to move through the workforce, more layers of management will be created. And, as many companies are discovering, one real cause of salary compression is that there are too many layers of management.

Pay compression problems are further exacerbated by cost-of-living adjustments (COLAs) mandated by union contracts. Granting across-the-board inflation-driven increases, asserts Philadelphia consultant Marsh Bates, sends employees "the wrong message" that average performance will be rewarded just as well as superior performance. COLAs also allow union production workers and skilled laborers who regularly put in overtime to make as much as or more than first and second-line supervisors.

To combat these compensation problems while providing some form of employee incentives, companies are considering "pay-for-performance" packages. Three major types of performance related programs are now being used or considered: quarterly or semiannual payments based on individual performance or productivity; group incentives based on meeting goals for a work group; and company-wide profit sharing plans.

A possible solution to the compression problem associated with recruiting is for management to continually review job descriptions and job evaluations in terms of a job's importance to the company. If assessments show that a particular job has become outdated or that an employee's skills have not kept up with advances in the field (e.g., an engineer or computer technician), management could offer the veteran employee sweeteners other than increased salary: favored parking spots, better long-term health care benefits and increased educational opportunities. Another solution is to include supervisors in bonus plans tied to productivity increases. (*Industry Week*, 2/22/82) EAS

Debunking the Myth of Theory Z

So, Japanese industrial superiority and economic success are the results of enlightened and humanistic management techniques. Not on your life, according to B. Bruce-Briggs. Warmed by trusting, intimate relationships within the corporation, happy workers perform optimally because they identify totally with the interests and goals of the firm—Theory Z in action, right? Wrong, again.

Bruce-Briggs asserts that the Japanese have accomplished wonders by adhering to the fundamentals of commerce—give the customer what he wants and control the costs. They do this better than anyone else and that is why they are at the top.

Forget America's excuse that Japan's success lies in low labor costs. The key is that Japan has *good* cheap labor. Labor, not the art of management, is the key to Japan's ascendancy. According to Bruce-Briggs, American labor is told what to do but does not do it reliably; that is the difference.

Why is the Japanese labor force so different? The way the Japanese are raised—their social pecking order. Everyone knows his place in the system—the old over the young, the husband over the wife, the sons over the daughters, the brothers over the sisters, the eldest son over the younger, the teacher over the student—and adheres to it.

Even their language has a grammar of hierarchy. The Japanese are only too aware that in everything you say or that is said to you, you are put in your place.

The hierarchical order evidenced in all aspects of Japanese life seems downright anti-American, says Bruce-Briggs. There's no way to get an American labor force to think like the Japanese. Americans simply do not believe in social orders nor the strict values they impose. Besides, it appears that the Japanese themselves are beginning to get fed up with the "rah-rah" mentality, notes Bruce-Briggs.

Theory Z and other utopian management theories have no place in American companies. In fact, they may strip us of what little competitive advantage we now have.

Americans can learn from Japan's success, he counsels. Give the customer what he wants, control costs, show dedication and discipline, work hard and save your money. These qualities were once the hallmarks of American labor and industry. It's time to adopt them again. (*Fortune*, 5/17/82) EAS

Too Crowded at the Top

Managers and aspiring managers between the ages of 30 and 40 are becoming frustrated in their attempts to climb the corporate ladder. Their thwarted expectations are part of an ever increasing pressure situation brought on, in part, by the baby boom.

Now mature, bright and eager to make their mark, this group is finding out that the fast rise to the executive suite that was possible in the 1960's and '70's no longer exists. It is simply too crowded at the top.

Many companies sensitive to the problem and related stress, personal dissatisfaction and possible burn-out brought on by this condition, have turned to creative personnel management.

One company in Chicago encourages employees to move horizontally into different departments to gain new experiences and fresh perspectives when management promotions are not as frequent. Another corporation assigns stalemated employees to task forces or study teams. The change in pace recharges the employees and maintains their sense of self worth even though they aren't promoted. Sometimes a "technical ladder" is created to move specialists up into technical executive positions when management positions are not available.

Some optimists believe that fast-growing technical industries may create numerous management positions to offset any problems and that the competition resulting when more people compete for fewer jobs will improve the quality of middle management in the future. However, many see the need for companies to take effective action to deal with the "avalanche" of baby-boomers. As Douglas T. Hall, management professor at Boston University, puts it, "If the backbone of the organization—middle management—gets turned off, it doesn't bode well for the future." (*Wall Street Journal*, 10/22/81) SWL

Merit Pay Agreement

The Office of Personnel Management and the General Accounting Office have reached an agreement on the formula for calculating merit pay for October. Last year, just before government-wide implementation of the pay-for-performance plan, a GAO ruling reduced the money available in the merit pay pool and forced use of a transitional plan: all merit pay employees received the General Schedule 4.8% comparability increase (rather than half the increase plus an amount based on performance, to come from agencies' merit pay pools). Those who received ratings at or above "fully satisfactory" or "fully successful" received additional pay based on performance, but because the money in the pool was reduced under the GAO ruling, the increases were smaller than would have been the case under the original merit pay formula.

Under the new OPM–GAO agreement, this year's merit pay increases will come from one half the General Schedule comparability adjustment and from a pool to be comprised of 1) the within-grade increases that would actually have been paid to merit pay employees during the year; 2) an amount to represent the money that would have been paid in quality step increases (0.1 percent of salary, with some approved exceptions); and 3) a small correction factor to compensate for the reduced salary rate resulting from last year's GAO decision.

While the General Schedule pay increase that may be given this fall is a matter of conjecture, the amount going into the merit pay pool from within-grade increases is expected, under the new agreement, to be about 1.6% of pay—or about double last year's amount. LGT

In Brief

Supreme Court Defines Immunities of Federal Officials

By Joseph A. Morris

Barely two weeks after the tenth anniversary of the history-making trespass at the Watergate, the Supreme Court—deciding a case in which Richard M. Nixon was the petitioner—held that, "In view of the special nature of the President's constitutional office and functions, we think it appropriate to recognize absolute Presidential immunity from damages liability for acts within the 'outer perimeter' of his official responsibility." *Nixon* v. *Fitzgerald*, (Sup. Ct. June 24, 1982).

The holding in *Nixon* v. *Fitzgerald* is quite narrow, confined to the unique office of the Presidency. But in a companion case, arising from the same events and decided on the same day, the Supreme Court clarified the ground rules upon which all government officials may be called to account in civil damages suits for their official actions. *Harlow* v. *Fitzgerald*, No. 80-945, (Sup. Ct. June 24, 1982).

This decision promises to be of landmark proportions.

Writing for the majority[1] in *Harlow*, Justice Powell announced the Court's new rule: "...bare allegations of malice should not suffice to subject government officials either to the costs of trial or to the burdens of broad-reaching discovery. We therefore hold that government officials performing discretionary functions generally are shielded from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known."

In adopting the "reasonable person" standard for determining whether or not a right is "clearly established," the Court imposes an objective test upon official conduct that does not permit courts to probe the mental states or decision making processes of officials alleged to have violated someone's rights.

Justice Powell explained the test and its purposes: "Reliance on the objective reasonableness of an official's conduct, as measured by reference to clearly established law, should avoid excessive disruption of government and permit the resolution of many insubstantial claims on summary judgment. On summary judgment, the judge appropriately may determine, not only the currently applicable law, but whether that law was clearly established at the time an action occurred. If the law at that time was not clearly established, an official could not reasonably be expected to anticipate subsequent legal developments, nor could he fairly be said to "know" that the law forbade conduct not previously identified as unlawful.

"Until this threshold immunity question is resolved, discovery should not be allowed. If the law was clearly established, the immunity defense ordinarily should fail, since a reasonably competent public official should know the law governing his conduct. Nevertheless, if the official pleading the defense claims extraordinary circumstances and can prove that he neither knew nor should have known of the relevant legal standard, the defense should be sustained."

These cases had their origins in 1968, when Lyndon B. Johnson was President. A. Ernest Fitzgerald, an analyst in the Department of the Air Force, testifying before a congressional subcommittee, was highly critical of cost-overruns and other problems experienced in development and production of the C-5A Galaxy transport plane. His testimony evidently embarrassed his superiors.

In January, 1970, the Air Force implemented a reorganization and reduction-in-force; as a result, Fitzgerald was dismissed. Fitzgerald's testimony had brought him to prominence, and public concern was voiced that his removal may have been retaliatory. When asked about the matter at a news conference, the new President, Richard Nixon, promised to look into it. The President later directed an assistant, H. R. Haldeman, to arrange for Fitzgerald's retention in the government.

Another Presidential assistant, Alexander Butterfield, however, wrote a memorandum to Haldeman in which he questioned Fitzgerald's loyalty to the Administration, suggesting, instead, that "We should let him bleed, for a while, at least."

Time passed and no reassignment came. Fitzgerald appealed his dismissal to the Civil Service Commission. Congressional and media interest in the case increased and, once again, President Nixon was asked about it at a news conference. To the surprise of many, the President assumed personal responsibility for the removal, saying that the decision had been his. The next day, the White House press office issued a retraction, explaining that the President had confused Fitzgerald's case with that of another Federal executive.

The Commission, while refraining from finding Fitzgerald's separation retaliatory, held that the reorganization had been devised for reasons purely personal to Fitzgerald. Such reorganizations are not the stuff of which reductions-in-force are properly made; the Commission ordered Fitzgerald's restoration, with back pay, to his former position or to one substantially like it.[2]

Fitzgerald then brought civil suit in a Federal district court, claiming that the personnel actions had violated protected rights, and seeking damages from the officials alleged to be responsible. The defendants, after years of pretrial proceedings, included Richard Nixon and two of his aides, Butterfield and Bryce Harlow. The case came to the Supreme Court on separate interlocutory appeals by former President Nixon, on the one hand, and Harlow and Butterfield, on the other, raising immunity defenses.

The Court had previously held that certain government officials, whose special functions or constitutional status require complete protection from suits for damages, were entitled to the defense of absolute immunity. Such officials have included judges for their judicial acts (*Stump* v. *Sparkman*, 435 U.S. 349 (1978)), legislators for their legislative acts (*Eastland* v. *United States Servicemen's Fund*, 421 U.S. 491 (1975)), and legislative assistants performing "legislative acts" that would be privileged if performed by the legislator himself (*Gravel* v. *United States*, 408 U.S. 606 (1972)). The only executive officials hitherto cloaked with absolute immunity[3] for official acts have been prosecutors, at least with respect to their initiation

Continued on page 32

After/Words

Pension "Crisis"

In his article, "The Quiet Pension Crisis," (Winter 1982, p. 20), my former colleague, the Honorable John W. Macy, Jr., characterized the Federal Civil Service Retirement System as inequitable, irrational, and costly—one which cannot be defended.

I disagree with his basic premise and with the logic he used to reach his conclusions.

First, Mr. Macy took the blame for his role as the Administration's chief advocate in the enactment of pay comparability and a non-political method of adjusting annuities to the cost of living. He now feels that both laws have resulted in failure, and in fact are in conflict with each other.

Both laws were and are good laws.

Pay comparability has been subverted by the imposition of "caps" by successive Presidents, but the principle is sound. There is no valid substitute for the principle of equal pay for equal responsibility.

Annuity adjustments pegged to the CPI have proved expensive, because they have been driven by an unprecedented and sustained rate of high inflation. But they have served their intended purpose, which is to protect the buying power of the original annuity.

We share Mr. Macy's view that a measurement device which would truly measure living costs for the elderly is desirable, and my Association has testified repeatedly in support of such a measure, which would be called the CPI-E (for Elderly). But we have also cautioned repeatedly that the adoption of a new measuring device would not necessarily result in budgetary savings, for several of the elements that consume a great deal of the retiree's income—such as food, fuel and medical care—have often risen at a faster rate than the CPI itself.

Second, I find it incredible that the former director of personnel management for the Executive branch would imply that indexation is the primary reason why government contributions to Federal retirement are now much greater than employee contributions. He, of all people, should recognize that indexation, a blood brother of inflation, is only the visible part of the iceberg. The culprit of equal or perhaps larger stature is a combination of (a) the government's failure to meet its obligations as they incurred in the years from 1920 to 1969, and (b) the fact that the remedies enacted in 1969 have come to full maturity in a period of sustained high inflation.

• By failing to meet its lawful obligations as they were incurred, the government in fact allowed a sizeable unfounded liability to be incurred. The Congress failed to appropriate the necessary start-up funds in 1920, it failed to require the government to match employee contributions from 1920 to 1958, and it enacted pay raises and benefit increases from 1920 to 1969 without funding their retirement costs.

• The remedies adopted in the 1969 amendments, which Mr. Macy championed during the Johnson administration, have come to full maturity in a period of sustained high inflation. Those amendments required the government to become responsible for (a) amortizing in 30 equal annual payments the retirement costs of all pay raises and benefit increases enacted on or after October 20, 1969, (b) payment of interest on the unfunded liability, beginning at 10 percent in 1971 and increasing to 100 percent in 1980, and (c) paying the cost of crediting military service toward civil service retirement, on the same phase-in basis.

Analysis of receipts and disbursements for fiscal year 1980 reveals that these two factors (inflation and recompense for prior neglect) accounted for more than 72 percent of the government's total contribution in 1980.

It is, therefore, specious to blame indexing alone, when prior neglect and inflation during the remedial period are at least equally responsible.

Third, Mr. Macy stated as fact that the unfunded liability was $403 billion as of September 1979. This figure is in sharp contrast with the Board of Actuaries' estimate that the liability was $136.2 billion at that time. Mr. Macy's figure is based on "dynamic" assumptions (i.e., there will always be inflation, salaries will always be going up, inflation will continue to drive COLA's, etc.) whereas the Board's estimate was based on "static" assumptions as required by law (i.e., look at last year's actual experience and use that experience as a basis for projecting future costs).

• The merits of "dynamic" versus "static" assumptions are open to debate. But so long as the law requires static assumptions, they should be followed.

• The government's payment of interest on the unfunded liability is pegged to the figure derived from static assumptions. If it were pegged to "dynamic" assumptions, the government's annual payment would be more than twice as large.

• Mr. Macy concluded that "For every participant, active and retired, there are unfunded liabilities of $89,000". That figure, arrived at by the use of "dynamic" assumptions, should also be examined in perspective. He is not talking about $89,000 in 1982 dollars, but in future dollars which have been devalued by inflation. Worse still, the figure assumes pay raises and COLAs which may never come to pass, and if used as a basis for determining government payments, it could result in pre-funding the cost of benefits that will never be paid.

Fourth, Mr. Macy stated that during his service at the Commission he advocated again and again the integration of civil service retirement with Social Security. I cannot recall a single instance during the six years we served together in which he expressed such a view, but perhaps his memory is better than mine. I do recall that a Cabinet Committee on Federal Staff Retirement Systems completed a study which was transmitted to the President over Mr. Macy's signature on February 16, 1966; the study recommended certain transfers of credits between Civil Service Retirement and Social

Security, but it did not recommend that Social Security coverage be extended to Federal civilian employees. I have every reason to believe that Mr. Macy's current view is based more upon philosophical preference and early-career association than upon logic and costs.

- Integration of the two systems would cost more, not less, and it would not solve the financial problems of Social Security.
- The government would have to pay most if not all of the cost of a company-type pension plan to supplement Social Security benefits for its workers, in addition to the employer's share of the FICA tax. A plan costing even 4 percent of payroll would come to $2.4 billion per year.
- Tax revenues would be reduced because civil service annuities are taxable while Social Security benefits are tax-free. Estimates vary from 10 percent (Friend and Company, actuaries) to 17 percent (Joint Congressional Committee on Taxation) as to the amount the average Federal civil service annuitant returns in Federal income taxes. Under the low estimate, the 1980 aggregate amount would have been $1.5 billion; under the high estimate, $2.55 billion.
- Integration of the two systems would be tantamount to "calling the note" on the unfunded liability, whether one uses the "dynamic" assumptions that Mr. Macy used or the "static" assumptions of the Board of Actuaries.
- Mr. Macy identified the complexities of design, complications in implementation, and concern for those affected (as problems to be overcome). He failed to pose, or to answer several additional questions:

—If Social Security was intended to be universal, why were Federal employees exempted in the first place? It is our view that Congress recognizes the fundamental differences between a retirement plan and a social insurance program.

—If Federal workers were forcibly placed under Social Security, would they be assured that the much larger retirement contributions they have made over the years will produce a standard of living in retirement that their present plan provides?

—Would coverage of Federal workers under Social Security enhance or detract from the Quest for Quality in Federal employment that Mr. Macy has championed for a generation? Few would deny that Mr. Macy's quest brought many talented people into government. My contention is that once they became vested, a good retirement plan helped the government keep them in government.

—Would another 2.8 million workers alleviate or exacerbate the financial problems of Social Security when today's new contributor becomes tomorrow's liability to Social Security?

L. J. Andolsek
President
Association of Retired Federal Employees

The "Japanese" Management Cover

I was impressed with your article on Japanese management. Except for your expecting a Japanese to be aware of "discrimination" (race, sex) in his own country, your questions were well put and Mr. Arai's answers were informative. Japanese as a rule are not conscious of the forms their society practices in discriminating much as the Americans weren't 20 years ago.

My surprise at the quality of your article stems from seeing the Chinese man on your cover in a traditional Chinese robe when you were talking about Japanese. I suggest you have whoever designed it do a little research on the varieties of Oriental cultures. Contrary to common opinion, they don't "all look alike"! I worked as an EEO officer in Japan for seven years and can assure you that discrimination takes the same forms in Japan as it does here. And that each country of the Orient has distinctive cultural dress and personality.

Bruce Maxwell
Savannah, GA

The figure on the cover is dressed, in part, in what appears to be a Chinese or Korean costume. It is emphatically not Japanese later than the eighth century.

Bill Armstrong
Washington, DC

Whose Fault Low Productivity?

I read with great interest and enthusiasm your Winter 1982 Management magazine. The articles were most thought provoking, particularly the lead article on "Japanese Management and White Collar Government." Additionally, I particularly enjoyed the section, "Manager's Reading Digest." However, the article in that section quoting Dr. Herzberg, (Blaming Management) could lead one to believe that the "influx of Blacks, Hispanics, Indians off the reservations, and Women out of the kitchen," may have contributed to the decline in productivity in the United States.

Since no parameters were extended or defined for this phase of tracing the work pattern in the United States, I really cannot determine who is to blame for this decline, the MBA's or the so-called "third phase" or both. Will the real slacker of productivity decline in the U.S. please stand up?

Edgar A. Cox
Stone Mountain, GA

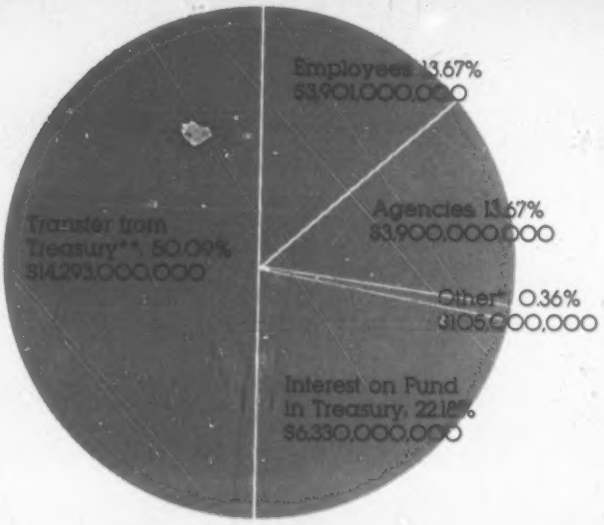
In Brief

Continued from page 30

and pursuit of prosecutions (*Imbler* v. *Pachtman*, 424 U.S. 409 (1976)); and those performing administrative functions closely akin to the judicial or prosecutorial (*Butz* v. *Economou*, 438 U.S. 478 (1978)).

For the most part, executive officials—including State governors and Federal cabinet members—have been cloaked in a qualified immunity whose scope has varied in proportion to the nature of their official func-

Sources of the Civil Service Retirement Fund in 1981



Total: $28,529,000,000
(Figures are rounded to the nearest million)

*Other: Service credit deposits and redeposits, voluntary contributions, collection from reemployed annuitants

**Transfer from Treasury for:
- Cost of crediting military service toward retirement $1,336,000,000
- Interest on unfunded liability (Liability caused by salary and benefit improvements before 1969, and from cost of living increases), $8,920,000,000
- Cost of new and increased annuities, $4,036,687,000 (Includes $722 million from the Postal Service)

Note: The standard way of attaching a cost to a retirement plan is to ask: What percent of an employee's salary has to be put aside regularly in an interest-bearing account in order that all benefits that were promised can be paid for? For the civil service retirement system, the amount, according to the most recent valuation of the Board of Actuaries of the CSR system, is about 36% of salary. Currently, employees contribute 7% of salary through payroll deduction, and their employing agencies contribute 7%. That leaves 22% unaccounted for. As a practical matter, it is the taxpayers who contribute the other 22%.

tions and the range of decisions that they might have taken in "good faith." Leading cases include *Scheuer* v. *Rhodes*, 416 U.S. 232 (1974) (State executives); *Butz* v. *Economou*, *supra* (Federal officials generally); and *Pierson* v. *Ray*, 386 U.S. 547 (1967) (police officers).

Officials asserting "qualified immunity" were, before *Harlow*, required to meet both objective and subjective tests. Objectively, the official had to demonstrate that he neither knew nor reasonably could have known that he was violating an individual's rights. Subjectively, he was also required to prove that he was not acting with "malicious intent" to deprive an individual of his rights.

The objective test could often be met simply by demonstrating that the law was unclear or the right undefined. The subjective element, though, required evaluation of the official's state of mind, his subjective motivation at the time the acts complained of occurred. Many courts considered the official's state of mind to be a question of fact inherently requiring resolution by a jury. Such inquiry into motivation often necessitated lengthy and broad-ranging pre-trial discovery, numerous depositions, and lengthy jury trials.

In *Harlow*, the Supreme Court has abolished the subjective element of qualified immunity. Henceforth, officials asserting qualified immunity need only meet the objective test—the reasonableness standard as to knowledge that a constitutional right was involved.

The Court recognized that the subjection of officials to the risks of trial and lengthy pre-trial discovery has distracted them from their Government duties, inhibited the exercise of discretion, and repelled able people from public service. The public interest in deterrence of unlawful conduct and in compensation of victims remains protected by other remedies, among them impeachment, prosecution, administrative actions, equitable relief, and civil damages under the new objective test.

Harlow is important to Federal managers in light of increased numbers of personal damages actions brought against supervisors for personnel decisions. This decision means that, although officials will still be subject to the possibility of personal liability, they will be much more likely to prevail on summary judgment motions before trial, relieving them of the disruption and anxiety associated with extensive pre-trial discovery and lengthy trials.

[1]The Court was nearly unanimous in *Harlow*, with only Chief Justice Berger dissenting. The Chief Justice would have extended to top Presidential aides the same absolute immunity that was found to cloak the President in *Nixon*. The Court in *Nixon* divided sharply, with Justice Powell delivering the opinion of the Court, joined by the Chief Justice and Justices Rehnquist, Stevens, and O'Connor. Justices Brennan, White, Marshall, and Blackmun dissented.

[2]Fitzgerald was dissatisfied with the position subsequently offered to him at the Department of Defense, and thereupon brought a separate suit in district court to enforce the Civil Service Commission's order. That case, *Fitzgerald* v. *Hampton*, Civ. No. 76-1486, (D.D.C. June 15, 1982), was recently settled. As part of the settlement, Fitzgerald was to regain his former position as Management Systems Deputy to the Assistant Secretary of the Air Force, effective June 21, 1982. Parts of Fitzgerald's lawsuit against former President Nixon and others were also settled on interesting terms, as reported by the Court. The Court held, however, that the partial settlement did not moot the interlocutory appeals discussed here.

[3]The immunities discussed here are as against civil damage claims for violations of rights guaranteed by the United States Constitution or by Federal statutes which are alleged to be committed by government officials acting in the course of their duties. The Supreme Court recognized a private right of action for damages on constitutional tort claims against government officials in *Bivens* v. *Six Unknown Federal Narcotics Agents*, 403 U.S. 388 (1971). Federal officials have long been held absolutely immune from civil actions brought against them on common law grounds. *See Spalding* v. *Vilas*, 161 U.S. 483 (1896) (Postmaster General held absolutely immune from suits at common law arising from his official acts).

Joseph A. Morris is General Counsel, OPM.

United States
Office of
Personnel
Management

MANAGEMENT

How to Subscribe!

The Office of Personnel Management does not handle subscription arrangements for **Management** magazine. Subscriptions are purchased through the Government Printing Office, which provides both individual subscriptions and bulk subscriptions for Federal agencies.

Individual Subscriptions. A year's subscriptions (four quarterly issues) may be purchased by sending a check or money order to Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. The annual cost is $10.00 domestic, $12.75 foreign. Single copies are $2.75 domestic, $3.45 foreign. (Master Charge and Visa are accepted.)

Federal Agency Bulk Subscriptions. Federal Government agencies may obtain bulk supplies of **Management** at reduced rates through sharing the publication costs by riding OPM's printing requisition. Orders should be placed through your agency's printing procurement office. That office should submit a Standard Form 1 requisition to the Government Printing Office, requesting to ride OPM's printing requisition 82-35 to obtain the number of subscriptions desired and specifying addresses to which distribution should be made. For more information call (202) 254-8760.

3/3

FEDERAL GOVERNMENT MANAGERS

MANAGEMENT

PM 1.1/2:

Contents

THIS ISSUE

2	Bridging the Gap	Career/noncareer communication
10	Fair Labor Standards	Some reminders about the law
14	Protecting Privacy	Alone in a crowded office
17	Is Publishing Perishing?	Managing publications

EVERY ISSUE

22	Worth Repeating	Are you guilty of put-downs?
24	Legislation	Highlights of 1982
25	Nitty Gritty	Benefits changes
28	Short Takes	News of interest to managers
30	Manager's Reading Digest	Personnel and general management reading
32	First Person, Singular	Executive Development Assignments

Director
Donald J. Devine
Deputy Director
Loretta Cornelius
Director, Office of Public Affairs
Mark Tapscott
Editor
Lee Treese
Design
Hausmann/Krohn, Inc.
Editorial Assistants
Lynn Alfalla,
Annette Gaul, Efstathia A. Siegel, Joyce Cannady
Graphic Assistant
Woody Schuler
Photographer
Tony Jackson

Manuscripts submitted for publication should be typed double spaced (pica, if possible), 1000 to 1500 words, with working title and brief author information. No special permission is required to quote or reprint materials contained in the magazine. However, when articles are identified as having originated outside the Office of Personnel Management, the author should be contacted for reprint permission. Manuscripts will not necessarily be acknowledged or returned.

MANAGEMENT

Vol. 3, No. 3

Management is published quarterly by the U.S. Office of Personnel Management . Editorial inquiries should be sent to: Lee Treese, Editor, **Management** magazine, Office of Public Affairs, U.S. Office of Personnel Management, Washington, D.C. 20415. Telephone (202) 254-8760.

Management is available on subscription from the Superintendant of Documents, Government Printing Office, Washington, D.C. 20402. $10.00 domestic $12.75 foreign. Single copies are $2.75 domestic, $3.45 foreign. (Master Card and Visa are accepted.) Use of funds for printing this publication approved by OPM letter of April 28, 1982.

And never the twain shall meet?
Appointees and Career Executives...

BRIDGING THE GAP: A DIALOGUE

The working relationship between career government executives and appointed managers is one that must be reinvented with every change of Administration. With an eye to improving that relationship—and to perhaps shorten the shakedown periods that will be required in the future—the Senior Executives Association this summer sponsored a forum at which the perspectives of both groups were presented and discussed. A summary of participants' viewpoints and suggestions, drastically edited for space, follows.

JERRY SHAW, PRESIDENT

SENIOR EXECUTIVES ASSOCIATION

I think that all of us would agree that a gap does exist in communication between political appointees and career executives. I would like to suggest a couple reasons for the gap. The first may be because there are misunderstandings. The political executive comes with certain expectations; the careerist has different expectations; they arrive at a point where the expectations are looked at from a different point of view and we have a breakdown.

NEWARK PUBLIC LIBRARY

Frankly, those kinds are easy to fix, and that's part of what this program today is about. But the second kind are more difficult: they may well be because career executives don't like the message. The message may be clear, but we don't like what we are hearing, and that's harder to fix. But it can help us, as careerists, to first know what the message is, and second, to believe that our input and our understanding are needed, wanted and considered. Perhaps the message that some of us don't like is that the Federal government is changing, and maybe it will never be the same. That doesn't mean that it is worse: it might be better, it might be worse, but at least it is going to be different.

If we are all to survive, and the government is to operate well, we must communicate. The speakers today will tell us how they have communicated, and how they have survived in this environment, both as careerists and as political appointees.

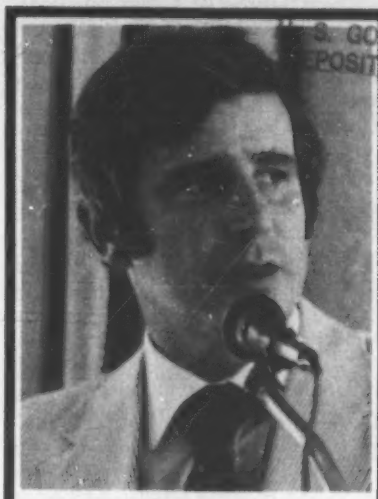
DONALD J. DEVINE,
DIRECTOR

U.S. OFFICE OF PERSONNEL MANAGEMENT

POLITICAL APPOINTEE

It is a pleasure to talk about a very important subject to all of us, because political appointees and career executives have to work together or the government simply can't survive. We have a very, very unique system. Less than twenty percent of the world population lives under a system which has politically appointed individuals based on elections and continuing career service that they can rely on. A handful of countries have survived under this kind of system. It shouldn't surprise us that the topic today is very difficult to deal with.

JAN 18 1982
S. GOVT. PUBLICATIONS
DEPOSITORY



I don't understand why a political appointee would be frightened to know all the pros and cons on taking a step. ***Devine***

We are talking about a subject which is fundamental to our form of government and its survival in the world. As the President mentioned in his speech in London, democracy is a very fragile form of government. And it's critical to the survival of this kind of government that we both do the jobs that the government gives us to do.

That there is some reluctance to look the problem squarely in the face, I can testify from direct experience. My first speech as Director was before the ASPA National Conference in Detroit in April 1981. In it, I made what I thought was a not-exceptional statement, referring to the distinction made by the father of modern public administration, Max Weber, between political leadership and career leadership. In *Politics as a Vocation*, he said that the politician's calling is to take a stand on an issue and the civil service acts on exactly the opposite principle—that of responsibility. "The honor of the civil servant is vested in his ability to execute conscientiously the order of superior authorities. Without this moral discipline and self denial, in the highest sense of the term, the whole apparatus would fall to pieces." Now some say that means Devine, or Max Weber, whoever they want to blame it on, doesn't want the career civil servants involved in policy making, and that isn't what that means. What it means is that the primary responsibility of the political appointee is to set the direction of policy. And the primary responsibility of the civil servant is to carry it out. It would be foolish to try to separate these into airtight compartments. Even this Administration, which David Broder said came in with a more complete set of policy alternatives than any he has seen in forty years of reporting on the scene, does not come in with a full list of precisely what it wants to do. And even in terms of what the Administration thinks it wants to do, it very much needs the advice of the career civil servant who knows how the system really works and the problems it may have in instituting the program.

So there are two separate fields of primary importance. But they must overlap. I can guarantee you that OPM isn't one of the places where political appointees don't know the career senior executives. I suspect that if you asked them, they would say they see too much of us, if anything. I would consider it the height of folly not to utilize the career expertise that we have.

The political appointee cannot survive if he doesn't know the facts. And the only repository of institutional memory is the career service. As Weber said, that is its very soul.

In OPM, I've instituted a system in which we get a very broad presentation of views in option papers, where we look at all the major alternatives without rejecting any. That is the way to get the career service most involved in the policy process. I hired someone from Capitol Hill recently. He came into one of our first policy meetings and he said it was like going from Sparta to Athens. It was the difference between a Congressional hearing where they get a dictatorial "This is what we are

going to do, you guys go out of the room and try to do it," as compared to a real battling interaction that we had for about four and a half hours with about 40 people in the room.

That is how this interaction should take place. It can only take place, of course, if the political appointee feels that he isn't intimidated by the process: the political side has to take its share of knocks, too. I don't understand why a political appointee would be frightened to know all the pros and cons on taking a step. In my opinion, it's the height of foolishness. The only way that that can be mitigated is to have a high quality of political appointee who isn't threatened by that kind of situation; who has knowledge to deal in that kind of environment. I'm very proud of the quality of people we have. If I could offer one thought on how there can be more career/political interaction, I would suggest trying this broad ranging option process, in which we seriously look at all alternatives without biasing what the final result will be. In my opinion it's the only rational way to arrive at a policy decision. And it's the best way to get good, healthy communications on questions of policy as we politicals try to interpret our mandate from the people.

The key is communication. However, I think we should not overly institutionalize that communication process. Some of the proposals that have been made about governmentwide institutionalization of this communication process are feasible, but I think it has to be done Department by Department. This has to be flexible enough so that the different Departments can handle their various problems. OPM can, and will, provide some guidance.

In one institutionalized and formalized way, I think we can do a lot more. Those of you who have heard me before know that I'm a Johnny-One-Note: The performance appraisal system is the major management tool that we have to help communicate in a formal way. It can't be done solely that way, and I try to stress the importance of the informal method, but communication can be helped immeasurably through the performance appraisal process. It is the most important management initiative, I think, of the last twenty-five years—certainly of any done through the Civil Service Reform Act. It can increase communication and can also help get the job done better. We've got a tool that can and should work; if there are abuses in it, we've got checks. We have the Merit System Protection Board, we have the Office of Special Counsel and we have the Agency Compliance and Evaluation section in OPM.

We've had political and career executives at the Federal Executive Institute, trying to get together to understand each other's mutual problems. We tried to keep a calm mood during the transition among those on the political side and, as an aside, I would ask a little more patience on the side of career executives during this period. You have to remember that these people are starting from zero and trying to get up to where you've been for twenty years or so. A little more understanding of how difficult it is to go into a new environment could help.

Career civil servants have an "advise and consent" role of counsel . . . especially in assessing the impact of political decisions and impact of Administration policy. ***Keel***

The basic message I have is that this is a process of mutual accommodation. All of us have our own perspectives and duties, and a place where we come from in this very complex process. The only way that this crazy system can work well is if we have the good will to do it. And that's what I'm sure we are going to be able to do.

ALTON KEEL, ASSOCIATE DIRECTOR FOR NATIONAL SECURITY AND INTERNATIONAL AFFAIRS

OFFICE OF MANAGEMENT AND BUDGET

POLITICAL APPOINTEE

I want to start off by sharing with you an evolution of perception that I've gone through in the three fairly unique positions that I've held: one, as a civil servant; one on a professional staff in the U.S. Senate and alternately on the Senate Armed Services Committee; and finally, as a political appointee. As a civil servant, I started off as a program manager and my view was fairly single minded. My task, I felt clearly, was a very important task: it's appropriate for a program manager to feel that way. I felt it was of very significant benefit not only to my agency but to man, if you will. But I must confess, on looking back, that I really didn't have much to judge by, with respect to the priority of the task that I was working on, in relation to other tasks, even my organization—much less government-wide. I think I had a somewhat commonly held view that politicians were very much driven by political considerations and constituent interest; at least they had a very healthy bias in that direction. I eventually became a member of the management staff and I got a

better perspective of the various programs within the entire agency that I was working in. And, I got a better perception of Congress and political appointees.

First off, I recognized that clearly political appointees had power. And political appointees were responsible for setting policy and implementing policy. But I also got from that side of the viewing glass an appreciation that there was difficulty in the interface between appointees and career civil servants. And I saw indications of the impact of that difficulty—the impact being, for the most part, adverse.

My own view of Congress evolved a little more rapidly. I saw that Congress wasn't always driven by simple political priorities or constituent interest. And, particularly in the case of the congressional committees, they often were as interested as I was, as a civil servant, in making sure that the correct program decisions were made. That was a factor in my making a decision to move on to a staff position in Congress and eventually on a committee.

Congress does have a legitimate interest in making the right decisions. That does not mean that there aren't political considerations, as there should be on the part of a member of a political party; and it does not mean that they are not sensitive to constituent interest, as they must be as elected members of that party. But it does mean, in my experience, that it's not for the most part determinate in significant program decisions or policy decisions.

That is not to say that the party, especially of the Administration in power, isn't interested in helping the Administration to implement the policy. They are.

The one facet that I brought with me that perhaps was most beneficial was an appreciation of the value of a civil servant's experience and expertise. Having come from the civil service, I also recognize that they do not always have the opportunity to have a broader view of issues. Part of my responsibility was to gather that expertise when a situation dictated and put it in proper context and make a decision. The facts were clearly important to gather from civil servants, but it was equally my responsibility then to put them in context.

My view of political appointees also evolved. I saw them even more as the principal architects of a given Administration's policy. And my view of the problem of an interface between the political appointee and the career civil servant was in fact enhanced. At the same time another interface was a problem: that is the one between Congress and political appointees. It may seem ironic to career civil servants, but politicians sometimes have difficulty talking to each other and appreciating the respective roles of the legislative branch and the executive branch. In particular, the political appointee in a number of instances did not appreciate the fact that Congress was legitimately interested in helping a given Administration implement policy. They were dutifully aware of the fact that when an Administration is elected to office, it should be given an opportunity to implement policy. Congress, for the most part, is willing to support that policy. But they also want to have a role in it—just as a career civil servant does with the political appointee. Congress typically is more flexible and more moderate, however, in implementing and final implementation of any new policy.

One thing that has helped me is the sensitivity to Congress, in the role that they play and how they can be of benefit to me in trying to implement and in fact, formulate the Administration policy in an "advise and consent" role, which they clearly and constitutionally have. At the same time, I am sensitive to the interface between political apppointee and career civil servant. I recognize that career civil servants have an "advise and consent" role of counsel to me as a political appointee especially in assessing the impact of political decisions and impact of Administration policy. I also have found that, without exception, the career civil servants that I have worked with only ask for opportunity to have that input, to let you benefit from their expertise and their experience even with respect to new and evolving policy. Given that opportunity, without exception civil servants are willing to assist you in implementing the policy that is formulated. The key is mutual accommodation between political appointee and civil servant. I have every ground to say that that accommodation can be successful.

JAMES COLVARD, DEPUTY CHIEF

U.S. NAVAL MATERIAL COMMAND

CAREER EXECUTIVE

As the previous two speakers have said, I think the key to communication is understanding the point of view of the other person. So I have listed very briefly some characteristics of each of those groups to present to you. I think that if you consider these, whether you are a politician, a political appointee or a career civil servant, it gives you a better understanding of where the other person is coming from, so you are more capable of at least understanding their point of view.

First, look at *tenure*. The tenure for a political appointee is quite short; the average in the last twenty years has been two years. The period for a career civil servant is about thirty years. It is not unexpected, then, that the political appointee would have a hasty agenda because he or she has little time to achieve it. Then look at the *criteria for selection*, the rules by which people are appointed. In the career civil service, albeit sometimes flawed, there is a

merit-based system and advancement to the top is usually based on demonstrated skills in the area in which you are trying to work. The criteria for selection for political appointees vary: they may involve skill, they may involve national recognition. But they have one thing in common and that is the allegiance to the political party that appoints them. In terms of *value sets*, there is a value set within the political appointee for change. There is within the career civil servant who is a part of this system for thirty years a value set for stability. Automatically, you have differing values in terms of what you are going to accomplish. The natural *loyalty* of a political appointee is to the Administration that appointed him. In some respects, the political appointee has much less freedom, in terms of taking action than he or she might believe in, than a career civil servant. Because one does not publicly espouse policy contrary to the Administration very long. Whether you are Democrat or Republican doesn't matter. The loyalty of the career civil servant is to the system or the profession of which he or she is a part.

The next item I had on my list of characteristics was originally motivation, but I marked it out, because I think that's quite ambiguous: motivation can be for a variety of things, so I substituted instead the *sense of urgency* which is tied to the feeling of change. Urgency, the need to get things done, on the part of the political appointee, is quite high. On the part of career civil servants it is moderate to low. At most they are moderately motivated to make change. As a previous speaker has said, the *knowledge of the system* of the political appointee is quite low. The knowledge of the system of the career civil servant is by necessity quite high—or it should be.

The final item that I've listed is *risk taking*. By nature, the political appointee is a high risk taker. By the nature of a stable system, the career civil servant is a low risk taker.

(This list of characteristics does not solve the problem of the interface, and it is not exhaustive, and I'm sure it is not strange to you.) My point, as a career civil servant who has worked with many political appointees, is that the burden of making the system work, coming from our value set, lies in our hands as professional public employees. It does no good to watch the guy who has been appointed to drive your car drive it over the cliff while you are a passenger. And if we don't take the professional time necessary to understand, not only our own values and point of view, but also the reality and the integrity of the value set and point of view of the political appointee, then we shall forever be blaming each other, as we ride over the cliff together.

CHARLES BINGMAN

SPECIAL ASSISTANT TO THE DEPUTY SECRETARY

DEPARTMENT OF TRANSPORTATION

CAREER EXECUTIVE

I'd like to turn to the theme of the political transition, because I think it is perhaps not only the period of greatest risk in communications and relationships but it is probably also the most revealing time in which to explore these relationships; and it's a time where doing something right, or making some bad mistakes, you're probably going to affect the entire balance of that relationship. I have served through some very interesting political transitions. In OMB, where I saw them trying to do a very responsible handoff from one Administration to the next, I was in a Department at a time when I was on a political appointment, and an Administration of the opposite party came in. The discomfort index was pretty high! Later, I got actively involved in this Reagan transition, both on the transition team and in a later special assignment, in the White House Office of Policy Development. The kind of concerns that I'm going to present are those of careerists who are watching these transitions, trying to answer several questions.

It does no good to watch the guy who has been appointed to drive your car drive it over the cliff while you are a passenger.
Colvard

1. I think it's very important to try to answer: What do these new people really think? What are they after? So that I can try to decide how to respond to that concern.

2. The question is eternal: What is going to happen to me personally? How am I going to come out of this? How do I establish my own relationships personally, as well as professionally, with the new leadership?

3. Am I going to be a player in the game? Am I to be consulted? Will I have a role, or am I to be ignored or shunted to the side?

These questions are burdened with a lot of malaise of various kinds. There is the natural problem of trying to establish a relationship between two groups of strangers. There is a degree of political suspicion of the career establishment and vice versa. There is the high expectation that there will be a lot of policy change and institutional change

and there are a lot of fears growing from that alone.

I think the transition time illuminates a lot of these issues. It is a period where you can set the tone for a whole relationship or the balance of an Administration's term in office. I think that the career executive should approach each one of these transitions with a strategy of his own. Don Devine has suggested we should recognize that agenda of a new Administration are not going to be singular and balanced and of equal importance. I was going to suggest three levels in which to try to scrutinize the agenda of the new Administration coming in. This is somewhat arbitrary but for the purpose of this discussion, let me talk about a priority agenda, a second uncertainty agenda, and, thirdly, a kind of unformed agenda.

The *priority agenda* is what the Administration knows with great certainty that it wants to do in certain areas and has established priorities that will mark its early days in office. The Reagan Administration did, in fact, come in with the best formed agenda of that kind in recent memory: very strong, a sense of priorities across the whole range of government activities. A very tight knit, rather intimate group of people who were used to working together largely in the context of the campaign. Contacts of known intimate sources, people that they could trust, most of whom were outside of the executive branch of government. And the best advice I could give you in context of this priority agenda is "Don't get in the way." As a couple of our speakers have suggested, the Administration is wont to get out of the blocks very quickly. They not only want to produce action but to produce it very quickly.

Don't feel bad if you don't get consulted, because they have derived a lot of the evolution of their positions from these outside sources that have been more important to them than you have been. The most positive role that I have seen is to do two or three things. You ought to give them feed-back in terms of whether the policy position is understood. Some of these political leadership people are amazingly bad communicators. They think they have said to you what their policies are when often they have not. I don't think we want to be in the position of having mere misunderstandings appear to be resistance.

A lot can be done to be factual and supportive by supplying information that illuminates the positions that the new leadership wants to take. This is the time to point out pitfalls, even though there may be risks in doing so, because I think in the long run there are greater risks in not doing so.

What I call the *uncertainty agenda* harks back to what Don Devine was saying. The new crowd does not necessarily know what it wants to do on every one of its intentions. There are a lot of areas in which they want to do something, or they know that they've got a problem, but they are generally uncertain as to how to move. They tend to react by relying to some degree again on that external source of association; but it is not that effective in this arena. They also tend to rely on certain basic principles which they have established as part of their campaign, and use the test of those principles to try to determine how the policy outcome should take place. But there is a growing recognition that there are no easy answers to some of those problems. The career reaction then ought to be to view this agenda as an excellent chance to take a greater initiative. This is where the real strength of the career leadership comes most forcefully into play. We've got some enormously valuable resources to bring to this kind of policy formulation process. We are most capable of producing the full panorama or advantages and disadvantages to alternative policy options. We have a knowledge of client base and Hill views that is probably superior to what the political leadership has. We can begin to come on very constructively and establish linkages that will show that we are capable of contributing to these policy debates.

I don't think we want to be in a position of having mere misunderstandings appear to be resistance. ***Bingman***

The third agenda is what I called the *unformed agenda* because there is almost always a set of problems which the new political leadership didn't know it had or didn't initially understand. Often the hallmark of some of the best Administrations is whether they are capable of moving beyond the first relatively few high priorities that they set for themselves, and accomplish more things in their Administration than they knew they could. This also is probably a time of greatest advantage for the career bureaucracy. At the very least, we ought to be providing distinct early warning on problems that are sneaking up on the political leadership. We can also talk about some of the things that are important to us: repair and maintenance of the institution that we work in and that we represent; reform and improvement of some of its systems of management that frequently get out of repair faster than we know how to fix them. Many of these items will take place, not during the initial big rush of an Administration, but perhaps in the second and third years, where if they are truly successful they will begin to look for other ways to leave a strong record for their Administration.

I suggest that each one of these different kinds of agenda can be perceived at the outset of an Ad-

ministration and that we as career executives can develop somewhat different response patterns, different ways of supporting and communicating and, in fact, different ways of creating our own initiative in what, as other speakers have said, is genuinely a joint venture for the benefit of the American public.

QUESTIONS & ANSWERS

Q: How would you assess the morale, motivation, the enthusiasm, the mental health, of the career executive in government? And, assuming it's not as good as it should be, what needs to be done about it?

A: Bingman: I think that the attitude of career executives now is pretty bad. I think it stems in large part from a sense of the deterioration of the quality of the executive role in the federal establishment. I'm trying to say this in a way that transcends some of the short term issues of RIF's in the Departments or Agencies or disrupting reorganizations. Watching the course of events of the federal government, it seems somehow to be getting worse instead of better without a clear understanding of how the tide can be reversed.

Also we find a lot of increased speculation now among people who five years ago tended to assume that they were going to stay in government for a long haul, are now increasingly looking at what options that they've got outside of the government. You could say that is either good or bad, depending on how you feel about the dynamics of the development of your own career. But I think most of us tend to want to stay and find out and we draw on a sense of high-order professionalism. Where we think that professionalism is threatened, I think that it substantially reduces our comfort in being a federal executive.

A: Colvard: I'm not sure I can comment on the attitude within the whole federal service, but I don't sense that it's quite as bad as people say. I think that there's a high disillusionment with the political process in the sense of the cut-back of the number of people that would be eligible for bonuses. I don't think that there is any question that that was viewed by the career service as a kind of betrayal, a reneging on an agreement when we signed up for the Senior Executive Service. I think that the pay raise last year recaptured a little bit of that, but it wasn't just the money, it was bellying up to the bar and recognizing that you have to pay attention to executives if you are going to retain them.

I would suspect for the next three years that the attrition rate is going to be flat, because the inflation has dropped off and it's economically to your advantage to stay in now for your high-three. I would project if the situation continues at the end of that three you are going to see a large lemming jump over the cliff, for those over fifty-five. We have a year and a half to work on it. I guess my message would be if we don't like what is going on, as professionals we have an opportunity to deal with it. I don't sense that it's that bad.

I think that the evaluation process interaction is viewed as very positive. If those things that we commit to are viewed as having some credibility in the long haul, I think it will stabilize, and we can build a sense of professionalism. If there is another betrayal, or if political expediency is the call of the day, then I think that credibility will be lost for many years to come. I would hate to see that because I think that the great strength of the country is having a stable professional force more or less like the military. Their professionalism and their stability have made the Department of Defense have very little problem with transitions in administration. If we can complement that in the total federal government or emulate that to a degree with highly professional and very stable career civil servants, then I see great hope. But if we sit around and wring our hands, we will all go to hell in the same hand basket.

A: Devine: I guess I agree with Jim. I don't see that great dissatisfaction at the Executive level. There have been some problems. You may have read that we were going to go forward on the bonus thing, that we were going to lift the OPM limitation of 20 percent and go back to the statutory 25 percent before Congress brought the statuto-

ry limitation down to the 20 percent level. I think, in looking through the study of the senior executives, that the real problem is pay. We've worked on it and I was very happy to see that we did get some success with Congress on that last fall. I still want to get that raised. After all, I'm affected by the pay cap, too!

If there is a difference between career and political executives, it revolves around the difference between risk taking and change, I think. This Administration, even more than most, is one that wants to make large changes in a relatively short period of time. A political leadership that wants even more change than usual is obviously going to have a wider problem in terms of getting support from a service that emphasizes the stability value. I see this as a kind of natural process that takes place which is probably taking longer because our agenda is for more dramatic change.

In terms of the basics, I think that the real problem among senior executives is that they correctly perceive that they are not being paid adequately for what they are doing. That we are still going to work on.

Q: We all hoped that when we signed into the SES, we had mobility; we were all going to be perceived as general managers who were interchangeable and could go from Energy, to Education, to DOD . . . . We don't find this happening. We feel that OPM doesn't play an aggressive role. Departments are going to refuse to bring us in because they would like to do their own hiring. We don't see a strong willingness to retrain SES'ers. We have to have specific qualifications for specific jobs. There is a strong fear that, all of a sudden, we are going to find that after the government spent millions of dollars bringing us up to these positions, after twenty to thirty years in government, not eligible for retirement, we're out in the street. And the only salvation is strong aggressive action on the part of OPM through development of training, to force the agencies and departments to objectively and openly provide for migration from one office to another.

A: Devine: This is a very, very difficult problem and I don't really understand why we can't place a greater percentage of the senior executives than we do. I don't find, at least voiced, any reluctance on the part of the receiving Departments. You are correct that, all other things being equal, agencies prefer to hire people who have been trained within their own organization. Part of the problem is looking at the kind of positions that are on our outplacement list: A good number of individuals, although they are managers, must have a kind of a technical expertise.

I don't have any easy answers. We put the pressure on the agencies, but when it gets down to it, it's a judgment call on their part as to whether the person can do the job or not. I'm certainly willing to listen to possible solutions to the problem.

Q: I think one area we are most concerned about may be some kind of cross-training. We would like to see you and make some of these suggestions, like sending SES'ers to the universities or Federal Executive Institute or whatever?

A: Devine: Don't you always have to do that on a job by job basis? You have to identify the job to know what to train them for, and that's the problem. You can't estimate which one is going to open. The problems that we found with the general training programs, CETA and so forth, is that you've trained people for jobs that were there when you set the program up but when the program is over the jobs aren't there any more. It's a very complex and difficult job and I'm certainly open to suggestions. All that I can say is write us and let us know what they are. ■

The Fair Labor Standards Act and YOU

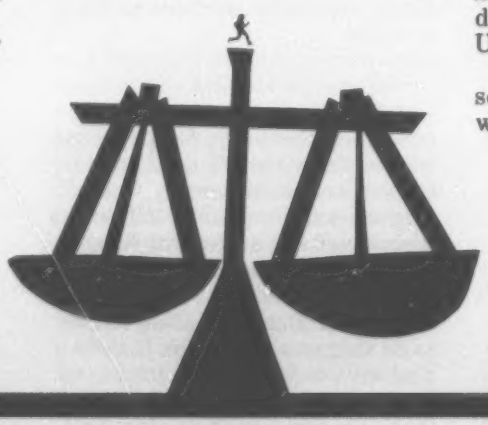
By Lynn I. Alfalla

The burgeoning of the twentieth century brought many changes to the American labor force — including poverty, unemployment and depression. President Franklin D. Roosevelt told Congress in 1937, "One third of our population, the overwhelming majority of which is in agriculture or industry, is ill-nourished, ill-clad and ill-honored." In 1938, Congress enacted the Fair Labor Standards Act (FLSA) which extended minimum wage coverage to men, women and children "engaged in commerce." It was an attempt to combat against deplorable working conditions such as sweat shops and to bolster a failing economy while ensuring a "living wage" for the working man.

Forty-two years and several amendments later, it is still important protective legislation. Its 1974 amendments (Public Law 93–259) brought all federal employees under the FLSA umbrella. Although the Department of Labor has administered the FLSA in the private sector since its inception, the responsibility for administering the Act with respect to federal employees fell upon the Civil Service Commission, now the Office of Personnel Management (OPM).

The key provisions under the FLSA include:

- a minimum wage rate for all hours of work;
- an overtime rate of pay for excessive hours of work;
- prohibitions against oppressive child labor practices, and
- equal pay for equal work, regardless of sex.



At the time the 1974 amendments were enacted, federal employees were already paid at or above the minimum wage rate. Likewise, as a matter of general policy, the federal government had complied with the child labor and equal pay provisions of the Act for some time. In addition, most federal employees were already entitled to overtime pay for hours of work in excess of 8 in a day or 40 in a week under title 5, United States Code.

Federal managers and supervisors should acquaint themselves with the FLSA and OPM regula-

tions and instructions for administration of the Act because it can affect what one can ask employees to do, when they can do it and for what kind of compensation. Know who is exempt and who is nonexempt and therefore subject to the provisions of the Act. Elementary as that might appear, it is essential for your protection as well as for that of your employees. Keep in mind that the primary purpose of the FLSA *still* is to protect employees in nonsupervisory positions from unfair wage and hour practices by management.

Exemptions

Although the Act covers all federal employees, certain employees are exempt from its minimum wage and overtime provisions. In the federal sector, there are two general categories of exemptions: (1) employees in executive, administrative and professional positions; and (2) employees permanently stationed in a foreign country or a territory not within the jurisdiction of the United States.

An agency is responsible for determining the status of its employees under the Act. Criteria to determine whether a federal employee meets the executive exemption depend primarily on the "grade controlling" duty concept. Employees whose jobs are supervisory and those who are general foremen or higher in the Federal Wage System are exempt executives.

Administrative and professional positions are judged with respect to the responsibility level, the amount of education, training and knowledge needed for that type of position and the independent judgment processes involved.

The foreign exemption applies to federal employees who are permanently stationed in a foreign country or a territory not under the jurisdiction of the United States (geographical exemption). It also applies to employees who are temporarily stationed in a foreign country for an entire workweek.

Title 5/FLSA Overtime Pay Comparison—Example 1

GS 4, Step 1—Hourly Basic Rate of Pay $5.52
Overtime Rate of Pay $8.28

- Employee's basic 40-hour workweek: Monday through Friday 8:30 a.m. to 5:00 p.m. (½ hour meal period)
- Overtime work: Employee performed 8 hours of overtime work on Saturday—8:30 a.m. to 5:00 p.m.

Hours Worked	*Sun*	*Mon*	*Tue*	*Wed*	*Thurs*	*Fri*	*Sat*	*Total Hours*
Regular hours		8	8	8	8	8		40
Overtime hours							8	8

TITLE 5
(1) Overtime hours—8 hours
(2) Overtime pay

$8.28 × 8 hours = $66.24

FLSA
(1) Hours worked—48
(2) Computation of hourly "regular rate" of pay

$5.52 × 48 hours = $264.96
$264.96 ÷ 48 = $ 5.52

(3) Overtime pay

1 × $5.52 × 8 hours = $ 44.16
½ × $5.52 × 8 hours = 22.08
$66.24

Summary:
- Employee's entitlement to overtime pay is the same under Title 5 and the FLSA.
- Employee is paid:

Basic pay	$220.80
Overtime pay	66.24
	$287.04

Hours Worked

Under the FLSA, the number of hours worked is the key figure in determining an employee's entitlement to overtime pay. Basically, the hours of work include all *actual* time spent performing work for "the benefit of an agency and under the control of an agency." It includes work that is "suffered or permitted." (Work "suffered or permitted" emphasizes that the employee's supervisor: 1) must have knowledge of the work performed and 2) must have an opportunity to prevent the work being done.) It does not include paid hours of nonwork—leave (annual and sick), holidays, or excused absences. Under the FLSA, work in excess of 40 hours a week is overtime work. Entitlement to overtime pay does not accrue until the employee has actually worked more than 40 hours in a week.

The FLSA "workday" begins when an employee commences the "principal activity(s)" of his employment and ends with the cessation of that activity(s). Rest periods up to 20 minutes are considered as part of the workday. However, "bona fide" meal periods are excluded from hours of work. Supervisors should ensure than an employee's "workday" under the FLSA is the same as his or her regularly scheduled tour of

duty under title 5. This can be achieved by ensuring that the employee does not perform work outside his or her regularly scheduled tour of duty unless you intend the work to be done and the employee is to be paid.

Time spent in other activities such as travel or training outside an employee's regular workday is subject to certain conditions. In these circumstances, supervisors should refer to OPM regulations and instructions (See Footnote 1) to determine when such activities are considered work and how to compensate an employee for the time spent in such activities.

Overtime Compensation

Although the FLSA amendments of 1974 did not modify any existing laws pertaining to federal employees, they do entitle non-exempt employees to coverage under two laws for overtime pay. A non-exempt employee's overtime work will be computed under the FLSA *and* title 5, with the employee entitled to whichever affords the *greater* overtime pay benefit.

Under title 5, an employee is entitled to overtime pay computed at 1½ times his or her "basic rate" of pay (See Footnote 2): an employee who earns $8.00 an hour earns $12.00 an hour for hours in excess of 8 in a day or 40 in a week. Under the FLSA, an employee's overtime pay is computed on the basis of the employee's hourly "regular rate" of pay. An employee's hourly "regular rate" of pay is not necessarily the same as the employee's "basic rate" of pay because certain payments—such as night and Sunday differentials, and environmental differential—are included in the regular rate. Night differential is payable for work scheduled between 6 p.m.–6 a.m. at 10 percent of the hourly basic rate of pay. Both Sunday and environmental differentials are payable at 25 percent. These and other similar payments are outlined in OPM regulations and instructions. (See Footnote 1)

Rather simplistically illustrated, the employee's overtime

Title 5/FLSA Overtime Pay Comparison—Example 2

GS 4, Step 1—Hourly Basic Rate of Pay $5.52
Overtime Rate of Pay $8.28

- Employee's basic 40-hour workweek: Monday through Friday 1:00 p.m. to 9:00 p.m. (½ hour meal period)
- Overtime work: Employee performed 8 hours of overtime work on Saturday—8:30 a.m. to 5:00 p.m.

Hours Worked	*Sun*	*Mon*	*Tue*	*Wed*	*Thurs*	*Fri*	*Sat*	*Total Hours*
Regular hours		8	8	8	8	8		40
Overtime hours							8	8
Night Pay		3	3	3	3	3		15

TITLE 5

(1) Overtime hours—8 hours
(2) Overtime pay

$8.28 × 8 hours = $66.24

FLSA

(1) Hours worked—48
(2) Computation of hourly "regular rate" of pay

$5.52 × 48 hours =	$264.96
$ .55 × 15 hours =	8.25
Total remuneration =	$273.21
$273.21 ÷ 48 =	$ 5.69

(3) Overtime pay

1 × $5.52 × 8 hours =	$44.16
½ × $5.69 × 8 hours =	22.80
	$66.96

Summary:
- Employee's entitlement to overtime pay is greater under the FLSA.
- Employee is paid:

Basic pay	$220.80
Night pay	8.25
FLSA Overtime pay	66.96
	$296.01

Title 5/FLSA Overtime Pay Comparison—Example 3

GS 12, Step 1—Hourly Basic Rate of Pay $13.58
Overtime Rate of Pay (GS 10/1) $15.47

- Employee's basic 40-hour workweek: Monday through Friday 8:30 a.m. to 5:00 p.m. (½ hour meal period)
- Overtime work: Employee performed 8 hours of overtime work on Saturday—8:30 a.m. to 5:00 p.m.

Hours Worked	*Sun*	*Mon*	*Tue*	*Wed*	*Thurs*	*Fri*	*Sat*	*Total Hours*
Regular hours		8	8	8	8	8		40
Overtime hours							8	8

TITLE 5
(1) Overtime hours—8 hours
(2) Overtime pay

$15.47 × 8 hours = $123.76

FLSA
(1) Hours worked—48
(2) Computation of hourly "regular rate" of pay

$13.58 × 48 hours = $651.84
$651.84 ÷ 48 = $ 13.58

(3) Overtime pay
1 × $13.58 × 8 hours = $108.64
½ × $13.58 × 8 hours = 54.32
$162.96

Summary:
- Employee's entitlement to overtime pay is greater under FLSA.
- Employee is paid:

Basic pay	$543.20
FLSA Overtime pay	162.96
	$706.16

under the FLSA is computed as follows: His hourly regular rate of pay is computed by dividing total allowable items of compensation for the week by the total number of hours of work. The hourly regular rate is then used to compute his FLSA overtime entitlement. For example, if he works 48 hours, with differentials such as Sunday, night or hazard pay, his straight-pay plus differentials for the 48 hours would be totaled and then divided by 48 to obtain his hourly regular rate of pay. He is then paid his straight time rate of pay and one-half times his regular rate of pay for the 8 hours of overtime work under the FLSA. (See Examples)

As mentioned above, nonexempt employees are covered by both FLSA and title 5 and are entitled to whichever affords them the greater overtime pay.

Compensatory Time

The FLSA provides only for the payment of overtime pay for excess hours. In contrast, title 5 provides overtime pay or, under certain conditions, compensatory time off as compensation for overtime work. OPM guidance under FLSA provides for continued use of compensatory time off, at an employee's request, under limited rules.

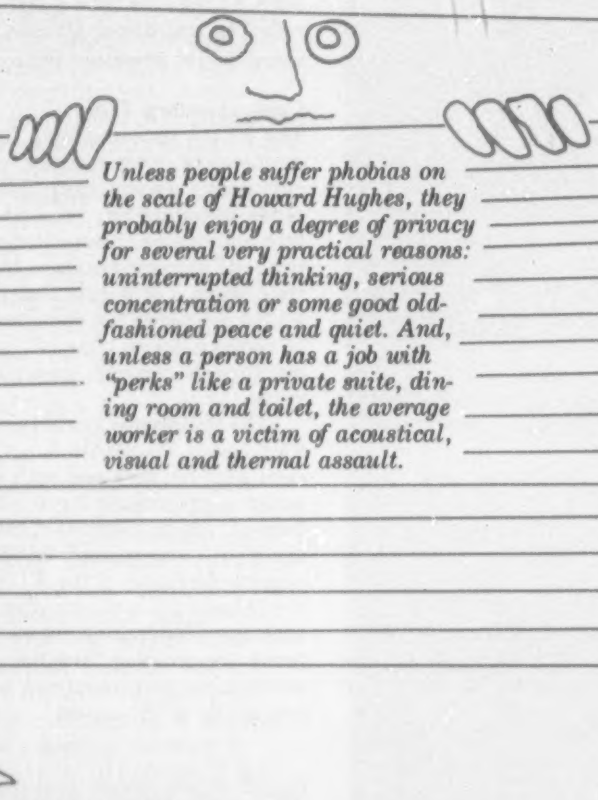
The philosophy underlying the Fair Labor Standards Act, the concern with fairness and with adequate compensation for work performed, exists today as it did when the FLSA was passed. OPM's task of administration of the FLSA in the federal government is an important one. Federal managers and supervisors can play their part by understanding and complying with the provisions of the Act.■

Lynn I. Alfalla is a writer-editor in the Office of Public Affairs, OPM.

1) OPM regulations can be found in 5 CFR, Part 551 and OPM instructions in the FPM Letters (551 Series).
2) For an employee whose pay exceeds the pay for GS-10, Step 1, the overtime rate is 1½ times the rate of pay for GS-10, Step 1.

PROTECTING PRIVACY: MINDING YOUR OWN BUSINESS

By Annette Gaul



Unless people suffer phobias on the scale of Howard Hughes, they probably enjoy a degree of privacy for several very practical reasons: uninterrupted thinking, serious concentration or some good old-fashioned peace and quiet. And, unless a person has a job with "perks" like a private suite, dining room and toilet, the average worker is a victim of acoustical, visual and thermal assault.

Privacy is a basic human need. As sights, sounds, smells and people vie for attention, a point may be reached at which "Enough, Already!" should be shouted. Especially at work, where machines click, beep and hum; telephones ring constantly; people talk; air conditioners rumble; the coffee machine gurgles; and doors creak. All the activity in the office and out of the window; the barrage of colors, shapes and sizes; a person's strong perfume; another's lack of deodorant; someone else's spilled lunch; ... these and numerous other distractions compete for reaction.

Privacy at Work

Most workers do not want to be distracted by noise or be constantly in full view of others—especially while performing demanding work.

"Privacy has a very useful function," declare Paul Insell and Henry Clay Lindgren in *Too Close for Comfort: The Psychology of Crowding*, "It plays a number of roles. It allows us to be offstage, take off our masks, have a breather, and be ourselves." They note also that privacy is essential to "observe and deal with ourselves without distractions of others' in-

put. It is privacy that permits us to carry out self-evaluation, a fundamental process in attaining self-understanding and self-identity."

Employees spend up to one-fourth of their week at their jobs. Being "on" for over forty hours a week without reprieve can be draining, affecting an employee's productivity.

In a 1980 study by researchers at the University of Tennessee at Knoxville, results indicated that people valued privacy over accessibility, preferred enclosed work spaces because they allowed more time actually spent working rather than at appearing to be working, and disliked working in full view of supervisors. It would be safe to estimate that no one likes to have his boss constantly hovering over his shoulder or breathing down his neck. By the same token, supervisors should not be put in a position where they appear to be hovering or eavesdropping.

Privacy is a management problem as well as a design problem. Supervisors need privacy to counsel employees, work out disciplinary problems, discuss performance appraisals, give individual assignments and perform other types of management functions.

Privacy in the office is often perceived as a privilege of rank and is closely related to space allotment. In the government, enlightened luminaries who understood the relationship between space, rank and privacy established Federal Property Management Regulations 101–17.304–1 determining how much space an employee should get. A GS–13 nonsupervisory position, for example, has a space allowance of 100 sq. ft. Add an additional 50 sq. ft. for a supervisor of that rank. Supergrades average anywhere between 250 to 400 sq. ft. and executive schedule personnel have an allowance of up to 750 sq. ft.

The Regulations also state that "Private offices should be provided only when there is demonstrated functional need. They should only be large enough for the occupant to conduct his normal business with a reasonable degree of dignity." No examples of "demonstrated functional need" or definitions for "reasonable degree of dignity" are provided.

Privacy as status is an age old concept. A person's apparent level of importance in the organization correlates to the degree of privacy he has. Says Michael Korda, author of *Success*, "The more difficult access to the executive is made, the more he can carry success with him, like a snail's shell. Nothing is more distressing to someone pampered by success than being exposed to people ignorant of his status." Privacy and inaccessibility are not, however, synonymous. Korda suggests people who perceive it as such may be cloaking their insecurity.

But does privacy matter to the rest of us? A 1980 Harris poll of employees and executives on factors affecting privacy and comfort at work revealed that 67% of those responding considered "a place to work when you need to concentrate without distractions" to be very important. In the same poll, less than 1 in 3 respondents thought top executives were concerned about employee privacy. Ironically, 75% of polled executives responded they were indeed concerned.

Approximately half of the nation's white collar work force, including managers, work in an open office—a design in which partitions and furniture rather than permanent walls are used in establishing work stations. The idea was first introduced in the 1950's as a method to provide improved cost and workflow efficiency as well as increased flexibility and control. Lack of privacy is a major problem in open offices if they are designed incorrectly— conversations are rarely private and many people are in constant view of each other. As one government manager who works in an open office put it, "This would be a great setup if we were working on a quilt. But we're not. It's a very distracting environment."

In a 1978 Harris poll, workers were asked what they would most like to change about their open office work spaces. The two most common responses were "More privacy, to be separated from others or to have my own office" and "More personal space, a larger space." Joel Makower, author of *Office Hazards: How Your Job Can Make You Sick*, suggests that discomforts such as a lack of privacy, proper lighting and temperature control can reduce productivity and contribute to workers' physical and psychological stress. He quotes T George Harris' description of an open office as being "a sort of mental nudist camp, where nobody, not even executives, has any privacy."

Besides the lack of privacy, people who work in open offices point out the irony of "flexibility." "Flexibility for whom?" questions one government employee, "Certainly not for us. They move one divider or desk and the whole design is altered. Flexibility is the manager's: it's just cheaper to move us around into an upheaval than it used to be."

The intent of open office designers was admirable. Designing mazes of cubicles was a valiant effort to upgrade the "cabbage patches and bull pens" in which hordes of employees were seated in one large room. To provide workers additional privacy, ceiling or chest-high partitions were introduced—this way workers could expect the Minotaur to appear around the partition rather than linger in the main doorway. What remained ignored, however, was a well-known and basic belief of behavioral scientists and environmental psychologists that people need and desire privacy and control over their personal territory. Comments another government worker, "People in my office feel that sitting almost on each others' laps is not what was intended with the concept of teamwork."

Involving workers in the design of their offices may be considered a revolutionary idea. Such participatory design was, in fact, conducted experimentally by the General Services Administration (GSA) in 1972 for two federal facilities. At one facility, employees

contributed to the design process down to choosing their own furniture. At the other, it was business as usual, with the interior designers making all the decisions. In a subsequent survey, the first group was more satisfied with their work environment. The second facility, however, won the architectural design awards. Unfortunately, the experiment was never repeated nor the relative productivity of the arrangement measured.

People who spend eight or more hours a day in one setting want their own space to personalize—a place with proper lighting, a comfortable temperature, a low noise level. Environmental psychologist Dr. Robert Sommer, believing many work spaces to be dull and impersonal, comments, "I don't feel it necessary to 'prove' that people in colorful offices will type more accurately, stay healthier or buy more government bonds than people in drab offices. People should have the right to attractive and humane working conditions ... This is a curious double standard. If an employee hangs up a poster by his desk, he is imposing his values and artistic tastes on the other employees, but if management paints all the walls in the building grey or institutional green, that is part of the natural order. We eventually tune them out and become alienated from the very building in which we spend our daylight hours."

Tips for Getting and Protecting Privacy

• In private offices, use the door when working on deadline. People will not feel as free to disrupt. When under less pressure, leave it open. "A lock on the door means the power to think for one's self"—to quote Virginia Woolf.

• Tell a secretary or group receptionist to hold phone calls. Ask that messages be taken to minimize interference from the outside. Managers should be responsive to such employee requests and make the proper protocol arrangements.

• Use the agency's library for blocks of uninterrupted time. Find out about the policy for using conference rooms. Although they are usually deep within executive territory, they may be available when no other events are scheduled.

• Ask permission to use the office of someone who may be out for a period of time on detail, or due to annual leave or illness.

• Stake out personal territory by positioning your furniture, body and other objects such as machines for greater privacy. To quote Robert Frost, "Good fences make good neighbors."

• Place a name sign somewhere on the border of your work area to mark it clearly as yours. Personalize the area with objects like plants, prints, or photographs to warm up a sterile work environment.

• Use a small reading lamp to concentrate. People will begin to understand the signal as a request not to be disturbed.

• Express yourself. A simple "I don't want to be disturbed right now" or "I'm on deadline, talk to you later" will probably suffice.

• Inquire about the possibility of soundproofing rooms if noise becomes unbearable.

• Keep papers or books in vacant chairs to inhibit disruption by drop-ins.

• Use a public phone for private calls to avoid being overheard (although speech privacy is not usually mandatory because voices blend in with the background noise).

• Come to work early or stay late to give yourself uninterrupted time.

• Train yourself not to look up every time someone passes your desk.

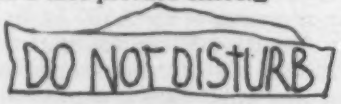
• Put a sign on your desk—"Thinking Is Working" or "Please Don't Disturb, Genius At Work."—and display it only when you really need privacy most.

• Respect others' needs for privacy when they are working. Use the old "do-unto" rule.

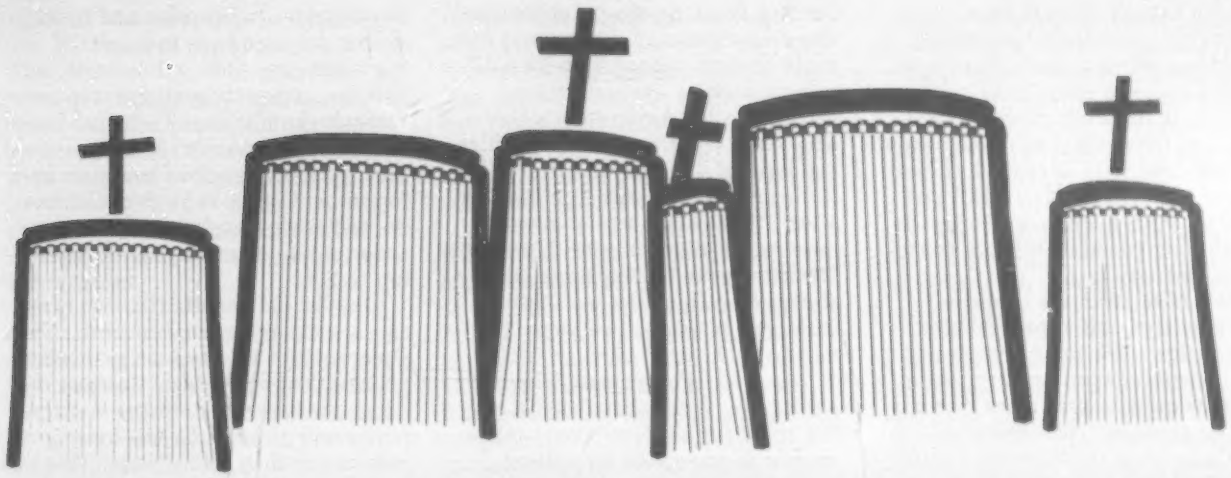
If these suggestions don't work, try the count-your-blessings approach. In a New York based health insurer's offices, employees are not allowed wall posters or photographs, plants are not permitted over a stipulated height, and coats may only be hung in specific areas. Other corporations require "regulation" everything down to the brand of staplers employees use and desks must be in specific order when employees leave at the end of the day.

Let's face it: Cruising the halls or going to the rest room just to get away from it all is not the solution. Make every effort to be as comfortable as possible, providing the amount of privacy necessary. Approach your work environment positively; introduce change into it; influence it with your personal choices. Allow privacy and freedom for refreshing the self for tasks by reflecting and doing self-evaluations. Determine privacy needs and be forthright in meeting them; stop waiting for someone else to do it.

If all else fails, work harder to get a promotion—one that comes with a nice private office.■



Annette Gaul is a writer-editor who occupies 67.5 square feet in the Office of Public Affairs, OPM.



IS PUBLISHING PERISHING?

By Efstathia A. Siegel

At a Cabinet meeting on management initiatives this summer, Agriculture Secretary John Block was slightly startled when President Reagan commended him on a job well done. The cause for praise was the elimination of the pamphlet, "Creative Bathrooms", a "how-to" formerly put out by the Department. "Creative Bathrooms" was precisely the type of publication the President believes American tax dollars should not be paying for.

The elimination of this and thousands of other government publications results from an April 20th, 1981, Presidential Order that directed federal Departments and agencies to put an end to all wasteful and superfluous publications and audiovisual products.

Targeted for extinction were all government magazines, pamphlets and audiovisual products whose primary function was to promote an agency or agency program. The Order made it clear that taxpayers' dollars should not be spent on Madison Avenue type hype.

Taking action that was covered widely by Washington media, the President imposed an immediate moratorium on the printing, production and procurement of all new publications and audiovisuals. At the same time, the Office of Management and Budget (OMB) instructed agencies to review and justify all existing products.

Robin Raborn, Deputy Press Officer at OMB, explains that the purpose of the moratorium was to offer agency management the chance to compile and review all continuing publications and to reconsider under the guidelines the necessity of new productions. "In no way is the Administration trying to control content. Editorial decisions should be left to individual agencies, not to OMB," she emphasizes.

During the review, top management in each agency checked publications and films for content. Those not considered essential to accomplishing an agency's mission were to be eliminated. Generally, all publications and audiovisual products had to be justified in terms of need, cost, audience, purpose, etc. Agencies were to consider switching from color printing to black ink only or using cheaper quality paper.

In subsequent guidelines from OMB, agencies were instructed to

submit lists of all periodicals and recurring pamphlets (essentially anything printed more than once), their costs and other data pertinent to their production, as well as plans for control systems based on OMB models. A second review was undertaken, using OMB approved control systems, to justify continuing publications and to cut costs further.

By June 1982, all agencies were using OMB approved plans to manage their publications and audiovisual programs. Proposals for new publications were "strongly discouraged." The repeated message from the Administration was loud and clear: Cut back and save.

Government's Obligation for Free Information?

In imposing the moratorium and cutbacks, the President emphasized the need to stop government's self promotion activities. A basic question remains, however: Does the government have a responsibility to provide any information to the public free of charge?

Some argue that taxpayer dollars pay for government research and studies and that results of that research should be made available to the public without charge.

The U.S. Congress Joint Committee on Printing, which oversees the Government Printing Office (GPO), takes the position that free access to information is a prime responsibility of government. The Administration's position, according to Raborn, is that "information clearly dealing with matters of public safety or health should be provided to the public. Decisions beyond that have to be made by individual agencies."

How individual agencies make those decisions is not clear. No one existing statute mandates government's public information responsibilities, although legislation exists that curtails agencies' self promotion and lobbying efforts. It cannot be disputed, however, that administration policy profoundly affects agency decisions. And, the Administration has made it clear that the bottom line is savings.

Cutting Back on the "Golden Age"

The Department of Agriculture has made dramatic changes in its publications policies. Nelson Fitton, spokesman for Agriculture's Governmental and Public Affairs Office and head of its Publications Division for over 16 years, sums up the situation: "The golden age of government publications is over." Nearly 750 titles have been eliminated by Agriculture since the moratorium, with cost savings of well over $10 million anticipated through 1983.

As one of government's biggest publishers, Agriculture helped set the trend for all government publications management by cutting back. "Traditionally, Agriculture's policy has been to provide information to the public at minimal cost to the agency," says Fitton. The thinking was that by mailing out cheaply produced pamphlets on specific subjects, the agency could best respond to its public information needs. A leaflet is cheaper than individual letters.

Fitton explains, "In 1981, Governmental and Public Affairs received over 350,000 inquiries from the public. (Some years there have been as many as three quarters of a million inquiries). We mainly used our inexpensive publications, which cost the agency from less than $.01 to $.13 per copy, to respond to many of these inquiries. Since the moratorium, this policy has changed to greatly restrict distribution."

Rob Atkiss, spokesman for the Federal Publishers Committee, a group that studies publishing issues and proposes remedies, asserts that too much emphasis on the cost cutting aspects of the moratorium has resulted in the elimination of many useful and popular publications. "In making large scale and rapid cuts, little attention was given to the publication's message or to the reason for its existence," Atkiss maintains.

It appears that government's formerly well-fed spring of free information is drying up. At Agriculture, free distribution of all publications (except those justified or exempted by law or regulation) is limited to 1,000 copies. These copies are mainly distributed within the Department, to libraries and to the media. Any requests in excess of the 1,000 copy limit will have to be paid for, either through user fees or through the National Technical Information Service (NTIS). By Spring 1983, even the Consumer Information Center in Pueblo, Colorado, will start charging $1.00 for any order of two or more publications (up to 20).

Just as its free distribution policies are changing, so, it seems, are government's information gathering policies. The Administration believes that private industry and the public will pick up the tab for any publication they really want. This belief not only is consistent with prevailing Washington philosophy, but also conforms to the Administration view that the functions government performs should be reduced.

Some would argue, however, that although government publications on the whole might not have been managed well, the functions that information gathering and free or inexpensive dissemination serve are worthwhile and necessary. Atkiss, a Printing and Publishing Officer at the Department of Health and Human Services, argues that the public will get short changed if basic information services are severely cut. "There's no comparison between a statistical report and a publication advising teenagers how to avoid certain diseases," states Atkiss.

Although "publications" are usually thought of as pamphlets and magazines, cutbacks are also occurring in publications like statistical data. The proposed cuts for fiscal year 1983 are small compared with those in many other areas (an estimated $50.1 million by FY 1983, based on figures provided by the Congressional Research Service), but many believe they would affect nearly every major agency and could affect how certain statistics are used to allocate billions of dollars in government assistance.

Critics of the cuts fear that businesses, educators, state and local governments and even farmers would be adversely affected if the timeliness, accuracy and availability

of many statistics now provided by the government are threatened. Corporations fear that statistics used in making daily business decisions could be eliminated. Less accurate or more sketchy data on the gross national product, retail sales, productivity trends or new housing construction could seriously affect decision making in business and in government.

Sales, Not "Freebies"

The current Administration view is that in most cases services are better provided by the private sector. Or, if people really want a service, they will pay for it.

It is this philosophy that has prompted the Government Printing Office (GPO) to do an about-face in its sales division. In about a year, GPO's documents division drastically reduced the number of publications offered to the public. By reducing the number of titles for sale by around 7,000, GPO hopes to make money on the remaining better sellers.

Public Printer Danford L. Sawyer, Jr. is concerned that GPO's sales division operate in the black. He has created a new marketing division designed to make the public aware of the diverse government documents for sale. Among other techniques, the marketing campaign will publicize "best sellers" in its quarterly *New Catalog*, will use public service spots on radio and T.V. to advertise various programs and publications, and might, under certain circumstances, buy magazine trade ads.

Some are skeptical that the "user fee" philosophy will work. In the case of businesses or corporations it is likely that they will purchase the information they need. Already a consortium of some 15 companies has been formed (including Sears Roebuck, Montgomery Ward and Time Magazine) to buy formerly inexpensive, specialized data from the Census Bureau. Each member of the group will prepare its own tabulations and market them to other users for several times the price the Census Bureau used to charge.

As to the public: serious doubts remain that individuals will pay substantial prices for what they had been receiving without charge. As Rob Atkiss notes, "It might be difficult to make available, let alone sell, a pamphlet describing low income housing opportunities to those who most need it."

What Does This Mean to Managers?

Even those critical of the cutbacks brought about by the moratorium will admit that the area of government publications has been poorly managed on the whole. A common complaint about agencies' approach to the communications problem has been, "When in doubt, let's put out a little brochure." The "little brochure" mentality allows for each production decision to be made independently without consideration of the agency's overall mission.

The Federal Publishers Committee considers this approach central to the publications management problem. "Publishing decisions should be communications decisions," says Atkiss. "Too many decisions have been program decisions, with parochial considerations only. Little thought has been given to a publication's role as it relates to the mission of the agency."

As a result, some agencies have put out unnecessary or duplicative publications at high costs and without reaching targeted audiences. Also, prior to the moratorium, most agencies did not have accurate figures on how many publications they produced or what they cost.

A report issued by OMB in late September on agencywide publications cutbacks and savings revealed that agencies had never developed a central inventory of periodicals and pamphlets or centralized systems to review and approve them. To comply with the moratorium and the OMB guidelines, each agency had to inventory its publications and implement a control plan to review and reduce that inventory.

OMB collected these inventory lists, transferred the information to a computer file, and returned the printouts to the agencies for verification and correction. For most agencies, this was the first time they had ready access to this data.

Tom Nebel, publications management officer at the Office of Personnel Management, believes that "responding to OMB's data and cutback requests and establishing OPM's review board helped us track and document our publications costs better. We now have a tighter and better managed publications program."

In the long run ...

Some areas of publications management have improved because of the OMB directives. Benefits have been derived mainly in the areas of cost reduction and data management. It is anticipated that the government will save $20.8 million in FY 1982 from agency publications terminations, consolidations and cost reduction actions.

There are other areas, however, where publications problems persist. "The moratorium and cutbacks served as a quick fix to save millions of dollars," says Atkiss. "At the Federal Publishers Committee we are looking at ongoing problems like establishing a standard for mailing list formats and establishing classification standards for publications positions where none exist. These are areas where savings will be felt in the long run."

The future of government publications is uncertain. The moratorium was the beginning of a trend to reduce, justify and limit the amounts and free distribution of publications put out by government. Although the cutbacks have not yet adversely affected publications and public affairs positions in government, private contractors and printers have been hard hit by the loss of federal business. GPO estimates that, due to its own decrease in publications, nearly $24.8 million less will be paid out to private sector printers in FY 1982 than was paid out in 1981.

One thing is certain: managers will have to make conscious decisions about the need, worth, and feasibility of producing any publication before putting it out. A leaflet or brochure will not necessarily best get out the word on an agency

program or service. Funds for publications have dried up. This loss forces managers to rethink and come up with new ideas to meet their communications responsibilities.

Options are being considered by the Administration to replace or supplement traditional publications practices. The President's Private Sector Survey on Cost Control has interviewed publications officials at all levels to identify problems in the field and to possibly offer recommendations. Several agencies have joined business in sharing costs to develop cooperative publications like *Mail Order Rights* (the Federal Trade Commission and American Express) and *Direct Contacts* (the U.S. Office of Consumer Affairs and AT & T).

Also, OMB is noting with interest the success of the Consumer Information Center's (CIC) cooperative effort with the Bar Association of New York to provide a phone system for consumers with prepared tapes on legal issues. CIC found volunteers to man the switchboard.

Who knows? Telephones and video screens may take the place of brochures and pamphlets in the future. ■

Efstathia A. Siegel is a writer-editor in the Office of Public Affairs, OPM.

GPO's Bestsellers

The publications below are the all-time bestselling Government publications still in active sales inventory. Prices shown were in effect on the date indicated.

		Price	**Sold*
1.	Infant Care	$4.75	17,465,952
2.	Prenatal Care	4.75	11,914,250
3.	Your Child From 1 to 6	5.00	8,955,702
4.	Metric Conversion Card (wallet-size card)	1.75 6.50/100	3,849,498
5.	Your Child From 6 to 12	5.00	3,503,469
6.	Rescue Breathing (wallet-size card)	1.75 5.50/100	2,920,872
7.	Federal Benefits for Veterans and Dependents	4.25	1,753,682
8.	United States Postage Stamps	8.50	1,620,807
9.	United States Government Manual	9.50	1,435,177
10.	Adult Physical Fitness	4.50	1,400,006
11.	Adolescent in Your Home	3.50	1,288,059

Listed below are other publications which have had a recurring demand. The order in which they are listed does not necessarily reflect their rank in total sales.

		Price
1.	Backyard Mechanic, Volume 1	$4.00
2.	Backyard Mechanic, Volume 2	4.50
3.	Backyard Mechanic, Volume 3	4.50
4.	Citizens Band Radio Service Rules, Part 95, Subpart D	4.50
5.	Dictionary of Occupational Titles, 4th Edition	23.00
6.	Handbook of Mathematical Functions	24.00
7.	How to Identify and Resolve Radio-TV Interference	5.00
8.	In the Bank . . . Or Up the Chimney?	5.50
9.	Occupational Outlook Handbook, 1982–83	13.00
10.	Settlement Costs	4.25
11.	Statistical Abstract of the U.S., 1981	16.00
12.	U.S. Industrial Outlook, 1982	10.00

**(sales figures as of 10–1–81)*

Net Spending on Periodicals and Pamphlets (Publications), 1981–83
(Obligations in millions of dollars)

Department or Other Unit	*1981 Actual*	*1982 Estimate*	*1983 Estimate*
Agriculture	17.6	16.0	14.0
Commerce	6.2	5.8	5.8
Defense	30.5	29.5	30.7
Energy	17.2	17.5	13.2
Health and Human Services	21.6	21.4	22.3
Interior	7.4	6.5	6.3
Labor	5.6	4.2	4.5
Treasury	11.4	11.6	11.9
General Services Administration	4.2	4.6	3.5
All Other Independent Agencies	51.4	40.7	39.3
TOTAL GOVERNMENT	**173.1**	**157.8**	**151.5**

Terminations and Other Savings Compared to Cost by Agency

Agency	*Publications to be Terminated*	*Publications with Other Savings Actions*	*Savings on Publications (Millions of $)*	*Cost of Publications (Before Savings)*	*Savings as a Percent of Cost*
DOD	212	439	$ 3.1	$ 27.7	11.1%
HHS	87	156	2.5	23.9	10.5*
Agriculture	742	153	2.6	13.3	19.5
Treasury	16	16	0.1	11.7	0.9
Energy	38	117	3.1	8.1	38.3
Labor	186	201	2.2	6.5	33.2
GSA	60	101	0.8	6.3	19.0
Interior	102	306	1.0	6.2	16.1
Commerce	12	159	0.7	6.2	11.3
All Other	274	244	4.5	23.3	19.3
Total Government	**1,729**	**1,892**	**$20.8**	**$133.2**	**15.6%**

**The percentage of savings is overstated since HHS listed savings on some publications where the costs of the publications were not given.*

Worth Repeating

Put-Down Techniques: Are You Guilty of Them?

By William R. Tracey

"Not guilty!" "Not me!" "Never!" That is the chorus of manager response to the question: Do you use put-down techniques with your subordinates? Yet if you ask the people who work for those same managers if their superiors ever put them down, the answer is, "You bet they do!" Different perceptions of what a put-down is? Possibly. What is more likely is that many managers put down their subordinates without even knowing it. Some few do it consciously.

But, whether conscious or unconscious, failure to show sensitivity to the feelings of subordinates, even lapses in common courtesy or consideration, do a great deal of damage in organizations. At the very least, they cause misunderstanding, resentment or anxiety. At worst, they cause communication gaps, wasted time, unnecessary work, loss of productivity, poor morale and a host of other organizational ills.

Here are some of the most common putdowns.

The Peremptory Summons
Here the subordinate is invited (directed) to report to the superior's office by a telephone call from his or her secretary. "Mr./Ms. _____ wants to see you immediately," or, from the manager directly, "Come on up (down). I need to talk with you." What is the usual reaction to that sort of summons? Anxiety ("I wonder what I've done now?"), annoyance ("Damn, I'm right in the middle of this . . ."), or outright anger ("What am I? A gofer?"). All reactions are negative. What is more important is that the negative responses get in the way of good relationships between managers and subordinates. Obviously, the peremptory summons is discourteous and shows lack of concern or consideration for people. But there are even more serious consequences than negative reactions.

Put-downs can be conscious or unconscious; either way they inflict damage: causing misunderstanding, resentment, unnecessary work and poor morale.

The peremptory summons may interfere with enterprise operations. The call may pull the subordinate away from a critically important task or action just to deal with a matter of much lesser importance—one that could wait.

In addition, the results of such spur-of-the-moment meetings are usually unsatisfactory to both parties. The subordinate is forced to deal with an issue or problem on-the-spot, without an opportunity to get the background needed to deal properly with the matter or the time required to consider alternative actions and their consequences. All too often, the subordinate must return to his or her work area to get the facts and develop a recommendation. Another meeting with the boss is then required—and the time of both manager and subordinate has been wasted.

RULE: If the purpose of the summons is to provide information to the subordinate or to assign a task, say so when you call. "I want to fill you in on . . ." or "I need to get some information on . . ." or "Let's discuss . . ." If the problem or issue is of major importance, give the subordinate time for fact gathering and consideration of possible solutions. "We need to discuss . . ." "Please give this some thought and be prepared to discuss . . . with me." (Such a meeting should be scheduled for several hours later or, if time permits, the next day.)

Improper Address
Here the put-down occurs because the manager addresses subordinates by their last names. "Jones, please check . . ." or worse, "Hey, you. Get the production report up here right now." What is the reaction of the subordinate? Probably irritation or hidden hostility. Those forms of addresses are unquestionably put-downs, and the reactions are certain to be negative. Note that in all cases such forms of address are used in downward communication, never upward. For that reason, the practice can only be perceived as a means of emphasizing the superior-subordinate relationship. Although some people may not openly show resentment (they may have become inured to the practice), improper address is not only patently discourteous and demonstrates lack of sensitivity to people, but it also carries penalties in terms of poor relationships, negative attitudes, lack of team effort and low productivity.

RULE: Always address subordinates properly: Mr. _____, Mrs. _____, Ms. _____ if the work environment is formal, or by first name or nickname if the organizational climate is informal (and the manager is receptive to the use of his or her first name by subordinates). One caution: be careful of nicknames. Be sure that they are not derogatory, do not reflect racial, sexual, nationality or cultural bias and that they are completely acceptable to the subordinate. (Ask if you're not certain.)

Inaccessibility

This managerial error is exemplified by the manager who is invariably "too busy to see you right now." Or the manager who, when presented with a problem, says, "Don't bother me with that now," or "You're paid to solve problems, not to bring them to me." Not only are those tactics put-downs, but they also represent failure to carry out one of the primary managerial functions—directing, which involves providing guidance, counseling and assistance to subordinates. They reflect a lack of concern for people, if not an outright desire to escape responsibility or involvement. Sometimes another person, typically an assistant or secretary, is responsible for the inaccessibility of the superior. Whether this stems from a mistaken belief that it is his or her job to protect the boss from time-consuming contacts with subordinates or from the bald exercise of power, is immaterial. Managers must maintain an open-door policy with their people and ensure that the policy is honored by those who could subvert it.

RULE: Be accessible to your people. Be available and receptive to their concerns. Treat their problems as if they are important (they are to them). Be considerate, available and helpful.

Blame Passing

"Why didn't you inform me of this before?" "How can we explain why we haven't been doing what they want all along?" "If we do it now, I'll look stupid." Such comments are symptomatic of insecurity or unwillingness to assume responsibility. But they also tend to demean the subordinate, put him on the defensive or give her responsibility that rightfully belongs to the superior. The effects of this put-down tactic are lack of respect for the manager, assumption of responsibilities which may be beyond the authority or capability of an individual, wheel spinning, lack of timely response to problems or other organizational woes.

RULE: Take full responsibility for the actions of your subordinates. Absorb all of the blame for failures—and pass on the credit for successes.

Procrastination

This is a managerial mistake which can be fatal to both manager and subordinates. It is exemplified by the manager who says, "I think this matter needs further study" (not because it does, but because the superior is reluctant to make a decision). Or it occurs when the manager has been presented with a recommendation and says, "Before I decide, I want you to develop a complete staff study with supporting cost data and a complete and detailed plan for implementation." The result of procrastination is often make-work projects. Even more often, the result is failure to take action at the opportune time. And still more often, the consequence is "decision by default": either someone else decides or events preclude decision (the decision is overtaken by events).

RULE: Decide when you have most of the facts. Although it may be desirable to get all the facts, doing so often defers the decision until the decision-making point has passed.

Asking for Obscure Details

A favorite put-down technique is to ask subordinates for nitty-gritty details about their work center, work process or people. Usually, the use of the technique is deliberate—to make subordinates aware of the fact that they don't know everything about their operation (and that the manager is more knowledgeable) or to make them feel inadequate. "How many widgets did you produce last month? How many were rejects? How much rework time was involved?" Not only does this tactic make subordinates anxious or cause feelings of inadequacy, it also often causes creation of unnecessary reports, additional paperwork and a host of other time-consuming actions.

RULE: If you need detailed information about any process or action, ask the right person for it and give him or her enough time to get the information. Don't expect or require people to carry all sorts of trivia around with them.

Public Reprimands

One of the most cruel and ruthless put-downs is censure, reprimand or criticism for some failure or error of judgment in the presence of subordinates, peers or colleagues. Its use is certain to put the individual down as well as make him or her angry and resentful. It may even provoke an emotional outburst which will cause the manager some unexpected difficulties. Reprimands in the work area or at staff meetings are inappropriate and ineffective. And they inevitably boomerang on the manager and the organization.

RULE: Censure subordinates in private (after you have given them an opportunity to explain or admit the error). Commend outstanding performance or accomplishment in public.

Inattentiveness

The manager who stares at the ceiling, looks out the window, continues writing or looks bored while a subordinate attempts to discuss a problem, issue or recommendation is putting the subordinate down. And the employee knows it and resents it. Managers who engage in that practice are discourteous. More important, they are failing to act as managers. Moreover, they may miss hearing something of critical importance to the operation and by being rude may well cut off that source of information or expertise in the future.

RULE: Listen to your subordinates. Give them your full and undivided attention when they brief you, bring you a problem or make a recommendation. And let them know that you appreciate their contribution.

Impatience

The manager who is frequently abrupt, impatient or short with subordinates demonstrates immaturity and a lack of concern for people. Such slips in self-control also have the effect of put-downs because they say to the subordinate, "My feelings and emotions have priority over your problems and concerns." Obviously, personal crises, temporary physical discomfort or illness will inevitably cause occasional lapses. But if the trigger is the pressure of the managerial job, or habit, managers must develop the strength of will needed to overcome the tendency to vent their feelings on their subordinates. Good relationships between the superior and employees cannot be developed or maintained in an environment in which the feelings and emotions of the superior take precedence.

RULE: No matter how you feel, regardless of the pressure you experience, always show patience with people. If you are under unusual pressure for whatever reason, whenever possible, defer meetings with subordinates until such time as you can show the patience and understanding your subordinates deserve.

Put-down techniques have no place in organizational life. They are discourteous, inconsiderate and dysfunctional. They cause anxiety and resentment among employees. And, most important, put-downs are some of the most common causes of poor morale, low productivity, wasted time, job dissatisfaction and employee turnover. Avoidance of put-downs will result in positive feelings, more openness, mutual respect, team effort, improved job performance and increased productivity.

William R. Tracey *is Director of training at the U.S. Army Intelligence School in Fort Devens, Massachusetts.*

Copyright May 1979.
Reprinted with the permission of *Personnel Journal*, Costa Mesa, California; all rights reserved.

Legislation

Highlights of 1982

Reconciliation

This year's battle of the budget resulted in the passage of the Omnibus Reconciliation Act of 1982, including key changes in federal retirement law. Most of the changes, originally proposed by OPM, were technical or administrative in nature, designed to streamline the administration of the Civil Service Retirement System. Others, hammered out between House and Senate Conferees on the Reconciliation measure, changed the actual level of benefit increases for federal retirees in FY 1983. The most significant of these changes is the provision of a cost of living adjustment (COLA) based on 50 percent of the Consumer Price Index (CPI) during the next three years for all federal retirees under the age of 62. All retirees 62 or over will receive full cost of living adjustments. The Conferees added a qualification to this limitation by providing for additional annual percentage increases in COLA based on the difference between actual and projected COLA adjustments based on the CPI during the next three years.

The Omnibus Reconciliation Act of 1982 also provides for a reduction in civil service pay by the dollar amount of the military retirement COLA for military retirees in the federal civilian service. It also mandates a delay of one month for payment of civil service cost of living adjustments in each of the next three years. Moreover, under the new law, annuities for retiring federal employees will begin the first day of the month after retirement rather than the very first day after retirement. The various changes in the retirement laws resulted in combined savings and new government income amounting to $317 million over three years. Total civil service savings, including those resulting from COLA's, are projected to be $4.1 billion over three years.

Alternative Work Schedules

The three year Alternative Work Schedules experiment, authorized by Congress in 1978, was extended for three more years on July 23. The original AWS experiment, often called the "flexitime" program, included 1500 work units and 325,000 federal employees nationwide. The experiment allowed federal employees to vary their reporting and departure times during the working day and also permitted employees to work a 10-hour four day workweek. In a preliminary report in November 1981, and a final report in March 1982, OPM concluded that the AWS experiments were generally successful and that their proper use could result in improvements in productivity, cost savings, employee morale and greater service to the public.

The degree of management control emerged as the central issue in the Spring 1982 legislative negotiations and Congressional debate over AWS. In February 1982, Rep. Geraldine Ferraro (D–NY) introduced a bill (HR 5366) that would have made the experimental program permanent. The Administration opposed the Ferraro bill, which passed out of the House Post Office and Civil Service Committee, because it lacked sufficient management controls. HR 5366 was defeated. OPM's own legislative proposal, S. 2156, was introduced in the Senate by Orrin Hatch (R–UT). In arguing for tighter management control, the Administration proposed that an AWS system be used only when it improves productivity or provides greater service to the government without additional costs. S. 2156 gave agencies the authority to terminate immediately flexible or compressed work schedules that did not meet productivity, cost or public service criteria. This new management authority generated strong opposition from segments of organized labor, and a long series of negotiations and revisions in language ensued between OPM and Congressional staff, particularly in the Senate. In March, Congress voted to extend the experimental program until negotiations in final language could be concluded. In the meantime, Senator Ted Stevens (R–AK), Chairman of the Senate Subcommittee on Post Office, Civil Service and General Government, attempted to forge a legislative compromise, representing a balance between management rights and labor interests.

The Stevens bill, S. 2240, provided for management's unilateral elimination within 90 days of experimental or compressed work schedules that increased costs or reduced productivity or service to the public. It also provided for an expeditious resolution of labor-management disputes on future AWS contracts before the Federal Services Impasses Panel. The final version of the bill won widespread support from both sides of the aisle in the House and Senate, as well as from employee organizations.

Federal Tort Claims

Of proposed legislation affecting personnel management, one of the most important measures was an amendment to the Federal Tort Claims Act that would insulate federal employees from personal liability in "constitutional" tort litigation. Under the current law, federal employees can be held personally liable for alleged violations of constitutional rights of American citizens while carrying out their official duties in the civil service. The Administration has strongly supported legislation that would waive the "sovereign immunity" of the United States and make the government itself, rather than the individual employee, the object of litigation in constitutional tort cases. The proposal (S. 1775) was introduced in the Senate by Charles Grassley (R–Iowa)

and a similar proposal was authored in the House by former Congressman George Danielson (D–CA).

Amending the Federal Tort Claims Act in such a fashion has generated considerable controversy. Opponents argue that, in substituting the government for the employee as a defendent in torts, the government is undermining the deterrence that personal accountability of federal employees provides in protecting citizens' constitutional rights. Proponents argue that it is erroneous to charge a federal employee who is acting within the scope of his employment with personal liability when he is not, in any sense, operating in a *personal* capacity. A public official is, indeed, a *public* official and not a private agent; and in law, this real and critical distinction should be recognized.

The threat of personal liability and protracted litigation, with attendant financial burdens and damages to reputation, discourages employees, particularly supervisors, from making tough decisions, especially in the area of personnel administration. Suits, even the threat of suits, undermine employee morale and productivity. According to the Department of Justice, there have been approximately 10,000 such suits since 1971. (Only 13 such cases, however, have resulted in judgments against federal employees.)

In spite of strong and continuous support from the Justice Department, OPM and interested employee organizations, and the efforts of Senator Grassley and Congressman Sam Hall (D–TX), legislation to eliminate personal liability of federal employees has been stalled in the Judiciary Committees of the Senate and the House. In light of the practical and administrative difficulties under current law, the problem of personal liability in constitutional torts is likely to emerge as a major federal personnel issue in the 98th Congress.

Information on legislation of interest to federal managers is prepared by Robert E. Moffit, Assistant Director for Congressional Relations, OPM.

Civil Service Benefits Changes

By Efstathia A. Siegel

On September 8, 1982, the Omnibus Reconciliation Act of 1982 became law. It brought about changes affecting civil service retirement and other benefits. Some of the major changes are:

Cost of Living Adjustments (COLAS)

• Delay effective date of COLA for next 3 years from the current March 1 of each year to *April 1, 1983—May 1, 1984—June 1, 1985.*

• Notwithstanding the change in effective dates, the amount of the COLA's would continue to be based on the December-to-December increase in the Consumer Price Index (CPI). Entitlement to a COLA and the proration factor for new annuitants will be determined exactly as they are now, with March 1 as the determining date.

• Limit amount of COLA for some annuitants for next 3 years:
Affected annuitants: Under age 62 as of March 1, 1983.
NOT Affected:
—Survivor annuitants
—Disability annuitants
Scheduled increase for under age 62 annuitants:
April 1983—3.3%, plus any amount by which actual CPI exceeds 6.6%
May 1984—3.6%, plus any amount by which actual CPI exceeds 7.2%
June 1985—3.3%, plus any amount by which actual CPI exceeds 6.6%

• Military retirees (other than those receiving retired pay on the basis of a wartime, service-connected disability) who work in government civilian jobs will have the amount of any cost-of-living increase in their retired pay during fiscal years 1983, 1984 and 1985 deducted from their civilian pay during these three years.

Cap on Annuities

• No COLA adjustments will be made on annuities that exceed the salary of a GS–15, step 10 (now $57,000), 30 days before effective date of COLA.

• No annuitant will be receiving an annuity greater than the GS salary he or she would have been receiving if actively employed. (For those currently receiving more than they would have been making at their grade and step, annuities will be frozen until a catchup occurs.)

Rounding Down of Annuities

• Retirement annuities will be rounded down to the next lowest dollar, both when they are computed and when they are adjusted by the rise in the cost of living. This will apply to all annuities commencing on or after Oct. 1, 1982 and to COLA's added to annuities beginning April 1, 1983.

Early Retirements

• Effective October 1, 1982, early retirement (50 years and 20 years service or 25 years service at any age) would be permitted:

Involuntary—in the case of involuntary separations during reductions-in-force, major reorganizations, or

transfers of functions only if the employee has not declined an offer of a position in his agency for which he or she is qualified, which is not lower than two grades below his/her current position, and which is in the same commuting area.

Voluntary—only if the major reorganization, reduction-in-force or transfer of function were going to result in a significant number of employees being separated or immediately reduced in pay.

Disability Retirement

- The test period to see whether an employee retired on disability has been restored to earning capacity will be reduced from two years to one year, and the grace period between restoration to earning capacity and termination of the disability annuity will be shortened from one year to six months.

- These provisions apply to earnings after Dec. 31,1982.

- National Guard Technicians, separated since 12–31–79 for failure to meet physical standards for continued membership in the National Guard are automatically awarded a disability annuity without a review of medical evidence.

- Information contained in the records of the Social Security Administration as well as the Labor Department regarding federal workers' compensation benefits would be available where needed to ensure the accuracy of information used in verifying the earnings reports filed by disability annuitants.

Credit for Military Service

Under the previous law, military service was credited toward a civil service annuity, but the annuity had to be recomputed at age 62 to exclude credit for any post-1956 military service if the individual was eligible for Social Security benefits.

- Now, retirees who were on the government payroll as of October 1, 1982, will have the option of either continuing under the old law and having their annuities reduced at age 62, or making a 7 percent interest-free deposit for their basic military pay and not undergoing the annuity reduction. This deposit must be made by January 1, 1985 if no interest is to be paid. An employee may make this deposit at any time until retirement, but would have to pay interest after the January 1, 1985 date based on whatever the government securities interest rates are when the deposit is made.

- Employees hired on or after October 1, 1982 will not be subject to annuity recomputation at age 62, but will instead receive civil service retirement credit for post-1956 military service only if they deposit a sum equal to 7 percent of the military basic pay they received for such post-1956 service. If they make the deposit within two years of being hired, no interest will be charged. Otherwise, interest will be charged on the basis of whatever the government securities rates are at the time.

- Those already retired will at age 62 (and those already beyond that age) have their annuities recomputed to restore credit for military service after 1956, but will have the annuity reduced by a dollar amount equal to the portion of their Social Security benefit attributable to military service. This would prove financially rewarding to the 80 percent or more who are short-term veterans. The financial advantage would decline with the increasing length of the annuitant's military service after 1956, and with increases in the proportion of Social Security based on military service.

Interest Rates, Deposits, Refunds and Redeposits

- On January 1, 1985, the interest rate will change from 3% to a variable rate that will be determined by the Secretary of the Treasury based on the average rate payable on securities in which the fund was invested during the previous year. The rate will be reset annually using the same method.

- *Deposits*—Employees will be required to make deposits, with interest, in order to receive credit for service where contributions were not deducted from the employee's salary (except in the case of certain types of service where the free credit is intentionally provided). This would replace the provision in the old law that allowed the employee to either make the deposit or accept a reduction in his or her annual annuity equal to 10 percent of the deposit.

- *Redeposits*—Both the new interest rates and the required deposit provisions will apply only in the case of the periods of service performed on or after October 1, 1982, and the new interest rate will not apply to the redeposit of refunds made before that date.

- The new law provides that an employee must be separated at least 31 days in order to receive a refund of his/her retirement contributions. Interest paid on refunds will be at the current rates.

Later Commencement Date for Certain Annuities

- The initial annuities will generally commmence on the first day of the month after the month in which the employee retires or meets the age and service requirements for a deferred annuity. This provision would not apply to survivor annuities, disability annuities or annuities based on involuntary separation. The old law provided for annuities to commence the day after retirement.

Tax Equity and Fiscal Responsibility Act of 1982

- This act requires the payer of any periodic payment under any employer-provided pension plan, such as the Civil Service Retirement System, to withhold federal income taxes as if the periodic payment were wages.

Efstathia A. Siegel is a writer-editor in the Office of Public Affairs, OPM.

Short **Takes**

PACE Abolished: Schedule B Used

In accordance with the court order entered on November 19, 1981, in the civil action, *Luevano v. Devine*, in the U.S. District Court of the District of Columbia, the Office of Personnel Management has eliminated the Professional and Administrative Career Examination (PACE). OPM has established a new Schedule B authority to fill professional and administrative career (PAC) entry level positions of GS-5 and GS-7. The *Luevano* decree, which became effective on January 18, 1982 called for PACE to be abolished over the next three years in order to alleviate, to the extent feasible, adverse impact against hispanics and blacks in appointments to positions previously examined for under the PACE.

Under the terms of this new authority, priority in filling vacancies will still be given to employees adversely affected by reduction-in-force and reorganization. Agencies will have to complete consideration of qualified candidates available from reemployment and repromotion priority lists and through OPM's Displaced Employee Program and Interagency Placement Assistance Program before seeking Schedule B authority for external hiring. These procedures are the same as those which agencies previously had to follow before obtaining PACE certification. In addition, agencies will continue to give appropriate consideration to eligible employees within the area of consideration prescribed in their promotion plans. Once internal sources have been fully used, then agency headquarters offices can seek the Schedule B/PAC authority from OPM to hire from outside the federal government.

In cases where departments and agencies expect to fill a large number of identical PAC positions within a few months, a single request for the authority may be submitted at some reasonable time after the agency has begun its recruiting efforts. Each authority for PAC appointments under Schedule B will be granted for a definite time period (usually 60 days) based on the number of positions to be filled and the probable difficulty of locating qualified candidates. For large scale hiring, authority may be issued for longer than 60 days, with the provision for consideration of priority placement candidates at regular intervals.

In a September letter to PACE eligibles OPM explained that due to the reduced levels of hiring under this Administration, there will be relatively few job openings in PAC positions. Four positions—Internal Revenue Officer, Tax Technician, Social Insurance Claims Examiner and Supply Specialist—are expected to afford the best opportunities.

Abolition of PACE will not prevent agencies from filling PAC positions through special appointing authorities. Those most commonly used for such positions include: the Cooperative Education Program, the Federal Junior Fellowship Program, the Veterans Readjustment Appointments (VRA) authority, employment of the severely physically handicapped, appointment of ACTION and VISTA volunteers and Peace Corps personnel, and conversion of 30 percent disabled veterans from temporary appointments. These programs allow participants to be noncompetitively converted or appointed to the competitive service. However, the PACE written test will no longer be used to measure employees' qualifications for either initial appointment or conversion.

Specific guidelines and instructions can be found in FPM letter 213-32. It will be incorporated into FPM Chapter 213—Excepted Service in the near future. Also, questions and answers concerning the use of the Schedule B authority are published in FPM Bulletin 213-52, September 16, 1982.

LIA

Salary Cuts Common

Federal employees are not the only U.S. workers hit with reduced pay raises, salary cuts or job eliminations. Millions of private sector employees are also experiencing pay cuts or surrendering cost-of-living increases and other benefits. Some have to wait longer for raises; others will forfeit bonuses.

Hewitt Associates, a compensation consulting firm, reports about 45% of companies surveyed are reducing originally planned pay raises. Another firm, the Hay Group, states that 70% of companies are holding down labor costs through moves not planned at the year's start. Virtually automatic raises are no longer the rule.

Many executives and economists believe these changes signal a new era of tight-fisted management while others believe the changes are likely to be temporary. Cost control will be a top priority to many companies for the next two years.

Scott Dalton, director of personnel and compensation for Reliance Electric Corp., says, "Companies will be looking more at what they have to pay to be competitive, and at their ability to pay" rather than what they should pay to protect employees from inflation.

The "good news" is that these cost-saving measures may be an aid to curbing inflation. If pay raises and benefits kept rising at about 10% per year, it would be more difficult for inflation to level off, particularly since three-fourths of the U.S. economy is wages, salaries and benefits. (*The Wall St. Journal*, 6/30/82) AG

FEDS *"The Last Minority"*

The Public Employees Roundtable, an association chaired by Senior Executive Association President G. Jerry Shaw, has been formed to bolster the image of career government employees. At a press conference launching the Roundtable, Shaw cited its three objectives: 1) "to improve the image of government employees in the government employee's mind; 2) to improve the image of government employees with the public so that the public understands the contributions that are being made and; 3) to further the interests of the federal government in accomplishment of its goal." He named several heroes who are federal employees—U.S. Special Envoy Philip Habib, Leonard Skutnik III, and 51 of the 52 Iranian hostages—to emphasize the contributions of federal workers and to sharpen the contrast between fiction and reality in the public's mind.

The Roundtable is composed of 17 federal professional and manager groups including: the Senior Executive Association, the American Society of Public Administration, the Professional Managers Association, the Federal Managers Association, and Federally Employed Women, Inc. The unions have decided to push their own public relations campaigns but the Roundtable will be coordinating with them to avoid any overlaps in advancing the case of the federal career government employee. Eventually, the Roundtable hopes to extend its efforts to local and state government levels.

First on their list of activities is the introduction of a resolution in Congress by Senator John Warner and Congressman Stan Parris designating January 17, 1983 as Public Employees Appreciation Day, to coincide with the signing of the Pendleton Act which created the civil service 100 years ago. Senators Ted Stevens and Charles McC. Mathias; Congressmen Steny Hoyer, Vic Fazio, Cecil Heftel, Charles Pashayan, Michael Barnes, Mervyn Dymally and Frank Wolf; and Congresswoman Barbara Mikulski are supporting the new coalition. Virginia Congressman Wolf related the following: "I think one of the best things I saw was a column by George Will, where he pointed out the danger of criticizing federal employees is when you want to go and use that government to help you. We should remember that the submarine captain who goes to sea for six months at a time is a federal employee. The FBI agent that we would rely on to help us if our children were kidnapped is a federal employee. The drug enforcement agent who is working to keep drugs out of the schools is a federal employee. That NIH researcher for cancer is a federal employee and lastly, the Secret Service agent who stopped the bullet that would have killed the President of the United States is a federal employee."

Referring to career government employees as "the last minority," one bureaucrat said, "There is a comic strip now about bureaucrats and it's funny. They are lazy and they're stupid and indifferent to the public interest. It's humorous and so was Amos and Andy at one time to some people. But we don't tolerate that sort of thing anymore—unless it's directed toward the last minority, the only people left in this country about whom you can make scurrilous public statements that nobody makes objections to or raises eyebrows over."

As one Congressman put it, "Once we who are in government—the presidency, Congress—show respect for the federal employee; then we might expect the American people to do so." LIA

Women's Management Aptitudes

Women make better managers than men, according to aptitude tests directed and evaluated by the Johnson O'Connor Research Foundation. Over a quarter of a million men and women were tested on twenty-two aptitudes ranging from memory to manual dexterity to abstract visualization. In fourteen aptitudes, there were virtually no differences between the sexes. Of the remaining eight, women scored higher than men.

Women were found to excel in abstract visualization (ability to work with theories and principles), observation, rate of idea-flow, accounting aptitude, silograms (ability to form association between known and unknown words), and finger dexterity. Men excelled in grip and structural visualization (three dimensional thinking).

Aptitudes underlying successful management—especially objective personality, abstract visualization and high English vocabulary—are predominant in women.

"Theoretically, at least, there ought to be more women in management," states Jon J. Durkin, author of *The Potential of Women* Research Bulletin citing the test results.

A free copy of the Bulletin may be obtained by writing the Johnson O'Connor Research Foundation, 11 East 62 Street, Dept. W, New York, N.Y. 10021. AG

The Private Sector and Performance Appraisals

In response to employees' complaints that subjective, general performance appraisals are incorrect, many companies are drafting more objective performance reviews, according to the American Society for Personnel Administration. William Mercer, Inc. has also found that the more objective appraisal has gained favor due to the protection it provides from lawsuits. Some notable companies leaning toward increasingly objective performance appraisal include Colt Industries, Weyerhaeuser and Lockheed Corporation. (*The Wall Street Journal*, 3/2/82) LIA

Manager's Reading Digest

Overcoming Computer Fears

Mention the word computer and many managers' minds will immediately turn off. Like it or not, managers must be able to understand and use computers to a large degree in order to work effectively in today's office.

According to a Booz, Allen and Hamilton Inc. study on the subject, about one third of all "knowledge workers"—managers and professionals—are wary rather than receptive to the use of computers (read video terminals, keyboards, word processors, etc.).

Surprisingly, managerial resistance to computerized systems does not seem to be directly related to an individual's age or educational level. Rather, managers' fear: looking stupid, losing control of their work product or being replaced.

Suggestions that might help managers overcome their computer fears are:

- *Buy a small home computer.* By practicing at home, you can learn to perform, thereby making office use come more easily.
- *Learn by solving "real-life" problems.* Pick a real, rather than simulated, work problem when learning to operate the machine. Solving actual problems can be a real incentive to acceptance.
- *Position the screen and yourself properly.* A screen should be just slightly below the horizontal line of vision, no closer than 18 inches and no farther than two and one half feet from user. A firm backed chair for long periods of use helps.
- *Use proper lighting.* Make adjustments to lighting so that maximum light is achieved with minimum glare on screen (attach a hood to the screen, if necessary).
- *Adjust the screen's lighting.* To make it easier to read the screen, increase the contrast until the background is virtually black and the letters come up sharp and bright.
- *Use custom glasses.* Eye strain can be a real problem when looking at the screen for a long time. The screen distance should be a comfortable reading distance. Experts advise tinting glasses slightly to reduce glare.

(*The Government Manager*, 4/19/82) EAS

Lundborg's Laws

1. Multiply yourself. Don't try to do it all yourself.
2. Pick winners. Good people are tough to get, tough to manage, and tough to hang on to—but good people cost less because of their greater output.
3. Don't settle for second best. The greatest enemy is mediocrity—and the only alternative is excellence.
4. Let them run. If you have picked winners, you won't cash in on them unless you let them run.
5. Don't alibi. When things go wrong, don't make excuses, and don't pass the buck—upward, downward, or laterally.
6. Be a clock watcher. Be a good manager of time.
7. Don't be a deaf mute. Communicate—and do it with your ears as well as your eyes.
8. Keep your motor tuned and your oil changed. Stay healthy.

(*The Art of Being an Executive*, Louis B. Lundborg 1981)

Declare War On Bureaucracy

A leaflet from The American Management Association transmits the following:

"Ask any former G.I. about the horrors of bureaucracy. You'll probably hear some good stories about dress shirts delivered when ammunition was needed, snowshoes in the tropics and other memorable goofs.

Everyone has, from time to time, run into personal examples of rampant bureaucracy. They usually revolve around attempts to deal with a government agency at some level. However, the government doesn't have a monopoly on bureaucrats: There are many organizations in the private sector that are the bureaucratic rival of any government agency.

We seem as a nation to have become inured to bureaucracy. Each time we do not get the merchandise we ordered, or our credit card bill is wrong and we attempt to straighten out the error, we run into the "that's not my department" syndrome. Usually, when the matter is cleared up, we only mutter, "bureaucrats," and let it go at that. By accepting, even tacitly, that bureaucracy does exist at every stage of our society we are giving in to excess paper work, higher prices (to support extra workers), lower productivity and a lack of effectiveness among working people.

The question is not why bureaucrats exist—unfortunately they do—but why are they so plentiful in U.S. business?

Many theories have been advanced as to why bureaucracy continues its insidious spread. One theory is that the creation of larger staff functions in many organizations has led to the growth of bureaucracy. One advocate of this idea is Peter Drucker who recently reported that since the 1950s staff functions at many manufacturing companies have grown five to ten times as fast as the number of operating people. In Drucker's view this "proliferation of staff services deprives them of effectiveness. Worse, it destroys the effectiveness of the people who produce the results, the operating people."

An efficient staff operation gives necessary assistance to the line, but when the staff *becomes* the system, it is time to step back and take a look at the many management layers that have formed almost unnoticed. There are far more management layers in some large American firms than there are in similar Japanese firms. I call this the organizational "layered look," that leads, inevitably, to the "laminated corporation." It is hard work to shed the excess staff layers and make the organization porous enough so top management can hear the ideas and suggestions that percolate up from all employees.

I'm sure you'll find yourself nodding your head in agreement if I say that everyone should be on the front line in the struggle against bureaucracy. It's something we're all

against. And yet, as I have tried to suggest, bureaucracy has so insinuated itself into our lives that many of us are "closet" bureaucrats without even knowing it.

If you would like to find out whether you're a closet bureaucrat, try giving honest answers to these questions:

- Are all the procedures I follow necessary? Do they move the company toward its goals?
- Are my memos necessary and productive? Or are they "mattress memos," designed to fall back on?
- Are my priorities correct? Or am I engaging in "busy work?"
- Do I tolerate bureaucracy in my unit?

The answers, of course, are your secret. But look around: How many of the managers with whom you work could pass this test? Remember that bureaucrats are made, not born. With that in mind, look at your organization: Is the individual at the top one who actively manages or one who merely presides? Do your colleagues pursue the goals of the organization—that is, work to get the job done—or do they spend the better part of their time inventing new forms, refining reports and making lists.

The average bureaucrat in any firm is likely to be someone who really does not understand the goals and objectives of the company and how his or her individual performance can contribute to achieving these goals and objectives. Enough misdirected activity results in a steadily growing bureaucratic system which slowly strangles productivity, initiative and, eventually, income.

There are a number of defenses against creeping bureaucracy. One is to be sure all managers and employees at every level understand the goals and the mission of the organization and gear their every action to furthering those goals and that mission.

Another, which is essentially the responsiblity of top management, is to create a working environment in which individuals are amply rewarded for achievement and initiative. Within this climate every employee should feel free to contribute ideas and have those ideas objectively listened to if not acted upon.

Bureaucracy is not impossible to defeat, it just takes constant vigiliance. It develops slowly like an incoming tide until, like a tide, it engulfs both organizations and people.

Let's start a new national movement to eliminate bureaucracy. We'd not only be helping to improve productivity; we'd be helping our own organizations and the nation as well."

Thomas R. Horton, President, American Management Associations.

Survival Tips

At a time when many of us question our job security, Camden and Associates of Hinsdale, Ill. offers tips on how to hold on to your job, and/or how to be prepared, financially and professionally, for when the ax falls. Although aimed at executive types, these tips could apply to just about any job. Survival tips include:

- Concentrate on the bottom line; determine how to boost company revenues or goals.
- Evaluate yourself monthly to gauge performance.
- Watch for danger signs within your company or agency, such as a wage freeze.
- Find out how organizational changes will affect your position and department.
- Start economizing—delay major purchases and vacations; save more of your salary.
- Develop a job-search strategy; update your resume.
- *Only* launch a search when you're certain to be fired: otherwise, it could easily backfire.
- Start networking; develop a list of many people to call should the ax fall.
- Brush up on interviewing skills.

(*Industry Week*, 4/19/82)
EAS

"Training is everything. The peach was once a bitter almond; cauliflower is nothing but cabbage with a college education." (*Pudd'nhead Wilson's Calendar*, Mark Twain)

First Person Singular

Making the Most of Executive Development Assignments

by Frederick S. Ciaccio

Having recently completed a six-month executive developmental assignment with a major command in the Department of the Army, I would like to share some suggestions based on my experiences. The information is intended to provide both management officials and potential candidates a personal and practical perspective on some essential elements of an executive development program.

Getting Ready. An employee should determine his or her short- and long-term career goals well in advance of considering developmental assignment. The short-term goals should concentrate on a self-development program including (but not limited to) college courses, correspondence courses, government training and seminars that will prepare the employee for both the developmental assignment and, ultimately, for attainment of long-term career objectives. Proper self-development is important because an executive developmental assignment is usually in a different career classification or level; a background conducive to successful performance of new and different duties is extremely helpful. As a rule, there are more applicants for executive development than there are available assignments, so prior self-development would definitely indicate an employee's motivation for such an assignment to the selecting official or panel. Again, the importance of setting goals and objectives in developing one's career path can't be overemphasized: haphazard preparation will produce doubtful results and benefits; too often, none at all.

Getting Set. After establishing your career goals and objectives and meeting criteria your organization may have on executive development, you should be ready for an executive development detail. If your organization does not have such a program, you should discuss your desire for a developmental assignment with your supervisor and training officer.

The detail can be within your immediate organization, other offices within your general organization, state or local government, or in private industry organizations that provide you with the necessary experience. The precise location depends on your established career goals and objectives. I would recommend an assignment outside your immediate organization because a major part of executive development involves learning and observing management techniques associated with organizational structures different from your own. The developmental program promotes an exchange of information on management, technical, and administrative techniques that can benefit both organizatons involved.

After the location of your assignment has been arranged, your specific position or assignment must be determined. A formal position description should be provided to you at the start of the detail. You should play a major role in preparing it. I believe the best way to establish a position description for your detail is to meet with the supervisor of the supporting organization and discuss your career goals and what you plan to achieve in the assignment. For example, a nonsupervisory candidate would definitely want a position that involved supervision. Quite possibly an already-established position description can be modified to meet your requirements. A position that doesn't fulfill your career development needs will be worthless to you and to the long-range goals of your agency's executive development program.

An assigned employee should be provided with a formal position description and, if possible, performance standards at the beginning of the assignment. At the end of the detail, a formal performance evaluation should be prepared and discussed with the employee. It would also be advisable for the employee to receive a mid-detail evaluation to assure that the developmental assignment is going as planned. Performance evaluations are an important part of the executive development program because they provide valuable feedback on progress and achievements to the employee and to the parent organization. Of course, a copy of any evaluation should be included in the employee's personnel file.

The Right Time. A time frame that includes the greatest level of significant activity should be selected. A person detailed as a budget analyst, for example, would logically choose the time frame in which the budget is being developed and submitted to higher authority; selection of another period would certainly limit the learning experience.

Summary. I consider it a privilege to have been selected for executive development, and believe that the payoff for an employee selected for a developmental assignment is well worth the effort required in advance preparation. Training courses and other instruction provide valuable information necessary to keep abreast of new developments, but they lack the day-to-day complexity of 'real world' situations and demands. The judicious use of such assignments can provide high potential employees the opportunity to gain new experience and bridge the gap to higher responsibility. In the long run, the executive development program can provide tangible benefits resulting in a more effective and efficient government. However, to accomplish this end, positive attitudes by the organizations involved, selection of motivated high potental employees and adequate preparation for developmental assignments are of prime importance.

Frederick S. Ciaccio is a program analyst at U.S. Army Corps of Engineers, Rock Island, Illinois.

After/Words

Where Credit is Due

Through oversight, Robert R. Snow, Assistant to the Director for Public Affairs, United States Secret Service, was not listed as the author of the article "How the Secret Service Handles Stress," which appeared in the last issue of **Management**. We regret the error, and here thank the author for the useful information on the Secret Service's stress management program.

Employee" Institutions" Defended

I am writing to express my grave concern about the article entitled "Beware the Employee Turned Institution," written by Jeffery P. Davidson.

This article describes an employee who has become an "institution." The typical "institution" employee is described as one who has a particular expertise that is useful. This person is also resistant to change, knows the organization's rules and "system." The article goes on to describe as "cover up techniques" that the employee is careful about preparing time sheets and responds quickly to directives. Mr. Davidson probably doesn't realize that this is what they're supposed to do.

These employees are described as experts on vacation rules and often are union officials.

Mr. Davidson goes on to assert, without basis, that such employees cause a number of sins such as lower productivity, bad morale, etc.

I find this article unworthy of publication. Mr. Davidson fails to show any causal link between an "institutional" employee and poor performance. He merely asserts that there is one. Knowing the rules, which Mr. Davidson asserts is somehow bad, is encouraged by my agency. Mr. Davidson also implies that "institutional" employees carefully watch their paychecks and their leave. Only a jerk is not careful with money today and I assume vacation and sick leave is granted to be used.

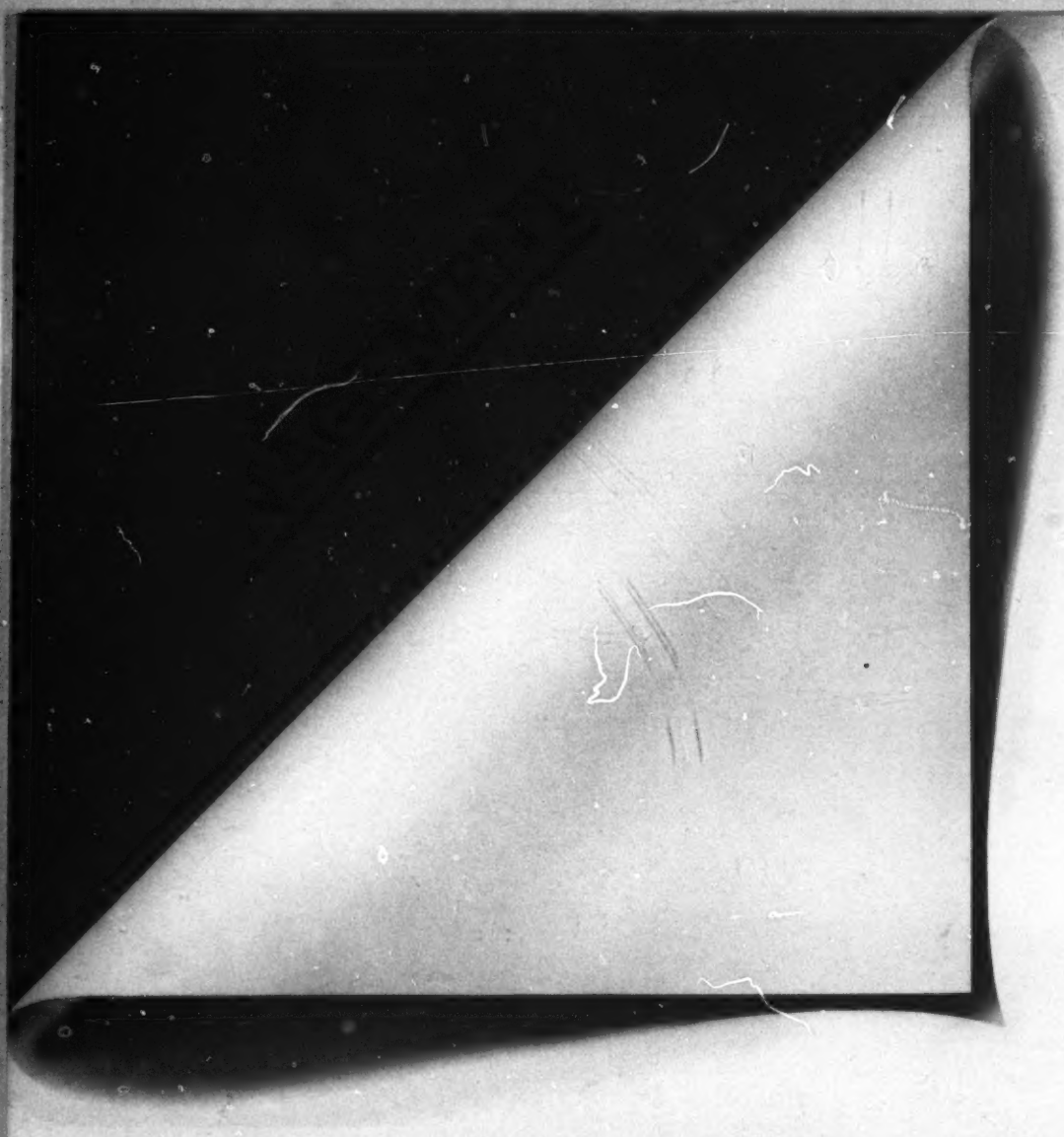
Mr. Davidson also asserts that "institutional" employees resist change. It can be shown that change for the sake of change holds no benefit. Excessive change is cited as a cause of "burnout" in the article beginning on page three of your publication.

Mr. Davidson has written a bad article where he substitutes assertions and conclusions for logic. He neglects any attempt at a cause and effect relationship between his assertions and conclusions, he sticks labels on employees of a background and decrees that they are bad, because he said so.

Mr. Davidson's article shows why American business and government is in such great shape today. They probably listen to him.

Robert H. Masnik
Northern Virginia

P.S. As for "institutional" employees being union officials, I was given to understand that this is their statutory right. IRS encourages good relations with the union.



How to Subscribe!

The Office of Personnel Management does not handle subscription arrangements for **Management**. Subscriptions are purchased through the Government Printing Office which provides both individual subscriptions and bulk subscriptions for Federal agencies.

Individual Subscriptions. A year's Subscription (four quarterly issues may be purchased by sending a check or money order to: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. The annual cost is $10.00 domestic, $12.75 foreign. Single copies are $2.27 domestic, $3.45 foreign. (Master Card and Visa accepted.)

Federal Agency Bulk Subscriptions. Federal Government agencies may order bulk supplies of **Management** at reduced prices through sharing the publication cost by "riding" OPM's printing requesition. Agency requisitions (Standard Form 1) should be submitted through the Washington, D.C. area headquarters printing officer of the agency, citing OPM printing requisition No. 3-00035. Agencies may order a bulk supply from GPO and make their own distribution to component offices, or they may request GPO to send a quantity to the headquarters level and have other quantities mailed to component offices. A mailing list should be attached to the Standard Form 1 showing the number of copies to be sent to each address. Orders should be sent to: U.S. Government Printing Office, Planning Service, Washington, D.C. 20401.

For more information, call (202) 632-4400 or (202) 254-8760.

United States Office of Personnel Management